

## SUNDAY MONEY

## SPENDING

## Remember When You Wanted Your Own Ms. Pac-Man?

By ROBERT JOHNSON

THE grandparents of Michael Gabriele's five children seem to visit more often lately at his house in Stormville, N.Y. "They say hi to the kids," he said, "and then head straight for our recreation room."

Everyone else follows, said Mr. Gabriele, 39, a mortgage banker, who has spent more than \$30,000 over the last two years on seven arcade-style games, each in its own cabinet, to furnish his 650-square-foot game room. "We burn so much juice in there I had to have an electrician rewire the whole room."

Mr. Gabriele says his game room is well worth the expense because it brings together different generations of his family. "It's a dream come true," he said. "I could live in there."

Well-equipped recreation rooms are becoming a more popular destination for both relatives and friends. Updating a recreation room can be a major project. Debbie Baxter, an interior designer in San Antonio, says she has noticed an increase in clients willing to pay her fees of up to \$200 an hour for advice on selecting the best mix of games and fitting them into the available space. "You've got to leave some elbow room, and there are other considerations," she said. "You don't want the path to a pinball machine to take people right in front of the dart board."

But not enough for Mr. Gabriele. His buying binge embodies a trend among grown-ups who fed coins into Pac-Man and Missile Command machines in mall arcades in the 1980's. For them, home video-game systems like Sony's PlayStation 2, which connect to a regular television and are played with hand-held controls, just don't provide the right feel or enough thrills.

"Playing an actual arcade game, where you stand there over a control panel that has a joystick and flashing lights, is the ultimate way to play," said Ryan Delaney, the principal of Taft Elementary School in Ashland, Ohio, who has two children. His home recreation room is filled with a half-dozen arcade games. His current favorite is the new Elvis pinball machine; it is priced at \$4,275 from Stern Pinball Inc. "It's packed with action like hidden bumpers and very fast — plus it plays eight Presley songs from the King's comeback tour in 1968," Mr. Delaney said.

Readily acknowledging that such machines aren't among life's essentials, Jack Guarneri, president of Pinballsales.com in Lakewood, N.J., said, "We sell everything that nobody needs." But he does so without apology. "Look, when I was growing up my father worked hard but never had enough money to even think about buying a \$4,000 arcade game," he said. "Now, people are more willing to part with disposable income. When the economy's good, buying these games makes them feel good. And when the economy's bad, well, they help them feel better."

All of this reflects a new type of the "cooing" tendencies that market researchers said they spotted after Sept. 11, 2001. In an earlier time, a stay-at-home consumer was often a couch potato watching TV, but the new version is more active, and enjoys playing games. Ms. Baxter points out that her clients shun easy chairs and sofas in their recreation rooms in favor of bar stools and benches — if they want places to sit at all. And their plasma televisions are less the focus of the room than a form of prestige art to be watched between turns at a game.

Arcade games bought for home use are a relatively small market compared with the \$10 billion market for video games in the United States. After all, the price of the new Elvis arcade game is roughly equivalent to that of 85 copies of the popular video game



Michael Gabriele, his wife, Billie Joe, and three of their children in their recreation room in Stormville, N.Y. Mr. Gabriele has bought seven arcade-style games in two years.

## QUICK READ

Here is what the up-to-date game room should offer, and what is passé, according to Debbie Baxter, a game-room designer in San Antonio:

- | IN  | OUT  |
|---|--|
| A prime space on the first floor, near the kitchen. That makes it convenient for snack runs.                      | Game rooms on screened porches. Those were fine for table tennis but won't do for today's electronic gadgetry. |
| Retro-style pinball machines with Elvis and Harley-Davidson themes.   | A big-screen television with four hand-held controllers connected to it. That's for a child's room.            |
| Arcade-quality video games in their own cabinets.   | Clocks. Everyone is too busy playing games to care what time a sitcom is on TV.                                |
| A jukebox with selection buttons and a neon look.   | All boring bulbs, lamp shades and natural light from windows.  |
| Lighting that mimics the look of a rock concert, a cocktail lounge or a sports bar. Lava lamps.                   | Junky, pitted old machines bought at a bargain for \$500 on eBay.  |
| Commercial arcade games, typically priced at \$4,000 and up, that have the feel of a restored 1957 Chevy.         | Easy chairs, recliners and sofas. They're in the wrong room: the couch-potato area is down the hall.           |
| Bar stools and narrow benches. Popular games will keep people standing and leave little room for other furniture. |  |

"Grand Theft Auto." Yet sales of arcade games are growing. David Young, president of BMI Gaming in Boca Raton, Fla., who sells new and refurbished arcade games generally priced from \$1,000 to \$10,000, said his 2004 sales would total \$4 million, more

than double the level of the previous year.

One of his customers, Germaine Harmon of Wellington, Fla., has converted her three-car garage into a game room decorated like a 1950's diner, with a jukebox and game selection that includes a tabletop shuffleboard

court. "It's something my grandkids, kids and friends can enjoy," she said.

A wide variety of arcade games are available at eBay and from local entrepreneurs who repair flea-market castoffs. For customers who want help with making game-room choices, Mr. Young's Web site offers packages: mixes of equipment at various prices. Mr. Young's basic combination, at \$8,550, consists of two machines: any new Stern-made pinball machine and an upright Ms. Pac-Man/Galaga video game. (BMI's price for the two, if bought separately, is \$6,750.) His most expensive package, at \$43,275, includes eight arcade machines, a jukebox, foosball and an air hockey table. That is \$2,000 less than BMI's price for all 11 items if sold individually.

The discounts for video games that are played on televisions can be much greater, even within months of their debuts. Still, the TV-based games are typically no more than \$50 apiece to begin with, and the game console that is hooked up to the television usually sells for less than \$150. A busy resale market for the systems and games offers many bargains, but those products are generally aimed at young children, teenagers and young adults who are often on tight budgets, relative to those of arcade-game buyers.

"My typical customer is between the age of 35 and 65 and has income of at least \$75,000 a year," Mr. Young said.

Bargains are scarce in the market for arcade-style games.

"You certainly won't find us selling a pinball machine at a discount," Gary Stern,

president of Stern Pinball, said. "I'd rather take one apart and use it for scrap in other machines than sell it at a discount." His company, based in Melrose, Ill., outside Chicago, is the nation's only surviving manufacturer of pinball machines after the market contracted over the last three decades. "The country used to crank out 100,000 pinball machines a year," he said. "Now it's about 10,000, all from us."

His hottest product this year is the Elvi model. "We're known for licensed design with beautiful artwork, lighting and sound like 'Terminator III,'" which features the voice of Arnold Schwarzenegger, he said.

### When arcade games are in the rec room, no coins are necessary.

In the last five years, Mr. Stern's residential sales have doubled, to 20 percent of his market. "Bars and bowling alleys are still big on pinball machines," he said, "but more people want them at home."

Nostalgia runs so high, Mr. Stern said, that even though he normally adjusts machines designed for home use to play free one customer insisted that they require coins. "He just likes to put in money. I guess to exactly replicate the arcade experience of his youth," Mr. Stern said.

As Mr. Gabriele, the mortgage broker in Stormville, N.Y., recaptures his past, he has the company of his parents, his wife and his children, who range in age from 1 to 11. "We'll play for hours," he said. "All my kid friends come here, which is nice."

But even Mr. Gabriele acknowledges that he sometimes welcomes a change of scenery: "I might feel like saying, 'Hey, let's go out somewhere.' Not that anyone would let us."