

THE TRUTH ABOUT OPEN HOUSES

Experience isn't Expensive
- it's Priceless

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Open houses are an opportunity for people to come through your house without a specific appointment with their Realtor, but are they effective at selling your house?

Here are a few things to consider.

Open houses are a very useful tool for Realtors to meet new buyers and sellers. New Realtors, in particular, often don't have an established client base and will ask more seasoned Realtors if they can do open houses on their listings in order to meet people.

People will visit open houses for a number of reasons:

1. Interest in the house
2. Curiosity (sometimes the neighbours)
3. Decorating ideas
4. Looking for a realtor for themselves
5. Dishonourable intentions (theft)

The only valuable reason for a seller is the first.

I have done hundreds of open houses and have never sold a house at an open house. I know there are Realtors who say that they have, it has not been my experience.

For an open house to be effective in creating interest or encouraging an offer to be put forth it needs to create a sense of urgency in the buyers who attend. It is human nature to want what everyone else wants and to take comfort in other people's interest in what interests you. It is validation of your feelings. For this to happen the open house must be of a short duration so that all of the buyers converge on the property at the same time. Even if some of the visitors are just curious or looking at the decor, the buyers see the number of people attending the open house and this translates to interest in their minds, which creates a sense of urgency if they are interested in the house.

A two hour or one hour open house often means that buyers never cross each other's paths. There can be as many as 8 couples through and they may never see each other. This suggests to them that no one else is interested and decreases the possibility of them making an offer. For this reason, if, as a seller, you want to have open houses, a 30 minute open house is the most effective.

An effective open house will draw a lot of potential buyers to the property at the same time, and therein we find the real issue for the seller:

An open house, by definition, means that you are opening your doors to anyone who walks in off the street. Certainly, they sign the register or fill in the Realtor's information card, but that is the limit of security and they can simply fill in any information they like. These people are not being chaperoned one on one by a Realtor as they would be during a private showing. If more than one couple is in the house at once, then they are wandering unsupervised through your home and your private property. No matter how

wonderful your Realtor is they can only be in one place at a time so as soon as there are multiple people touring the property they are outnumbered.

If a buyer views your home with their Realtor and they don't like it, or they feel they are knowledgeable on structure, foundation, roof shingle etc. and they decide to make negative comments out loud about your home, that's alright because the only person to hear it is their Realtor. In an open house, these people have an audience of potential buyers who are now turned off by whatever this stranger says, even if what they are saying is completely false.

The bottom line is that an open house is an uncontrolled environment.

If you are not comfortable with the open house it is easily remedied by making sure to confirm every showing request and have your house presentable for the showing. At least you know that these are legitimate buyers that has expressed a specific interest in your home.

Any legitimate buyers that would attend an open house on your property will book a private showing on your property with their realtor. By not having an open house the only people who will not view it are the people who were not serious.

If, as a seller you absolutely want to have open houses your Realtor should be happy to do them as they are extremely useful in meeting new people and networking for the Realtor.

So, now that you are fully informed about the pros and cons of open houses you can make an educated decision about whether this is a tool you would like to make use of in the marketing of your home for sale.