



# Open Question

**In a down market, sellers often request open houses. Some agents talk them out of it; others gladly oblige.**

**By Bridget Murray Law**

**B**rad Posnanski, CRS, ABR, set up his last open-house sign, headed to the scrubbed-down home, sat on the newly purchased sectional sofa — and waited. For three hours, he restacked his business cards and admired the polished floors and repainted walls. Then he packed up his untouched cards and headed out. Not one buyer had walked through the door. “I told the seller the open house wasn’t worth it, but he insisted that we do it,” says Posnanski, of Bradley Realty in Wauwatosa, Wis., near Milwaukee.

In Posnanski’s experience, relationship-building, Internet marketing and smart pricing sell more homes than open houses — a regional trend reflected in national statistics. Today, half of buyers who’ve used open houses say they’re not useful, compared with just over 10 percent five years ago, according to the NATIONAL ASSOCIATION OF REALTORS®. NAR data also reveal that three-quarters of buyers find the Internet “very useful.”

“Open house popularity is on the decline, mostly because other forms of marketing, like online listings, are more

effective,” says NAR spokesperson Stephanie Singer. “If an open house is held, it’s usually at the request of the seller, and it will attract the curious and other sellers sizing up the competition.”

But the popularity of open houses hasn’t declined everywhere. Tens of thousands of agents still use them, claiming they’ve helped them sell many a home that a prospective buyer might otherwise never have seen. These agents tend to operate in markets where buyers abound and open houses are the established norm, including San Francisco and Sioux Falls, S.D.



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And as the subprime lending fallout continues to hamper the housing market, many CRSs in less open-house-friendly communities say they're feeling more pressure from sellers to hold them. How are agents handling the increased requests? Some, like Posnanski, tout alternatives that they believe work better. Others eagerly comply, with the view that the more you work this most tangible of home promos, the more it pays off.

### Alternate Options

Posnanski's strategy is to push other tools to grab checkbook-ready buyers, particularly the Web. In fact, it was an Internet listing that ultimately brought a buyer for the home with the no-show open house, Posnanski notes.

Jim O'Connell, CRS, ABR, of RE/MAX Partners in Fort Lauderdale, Fla., takes a similar approach. Once sellers truly

grasp the effectiveness of virtual house tours, they usually back off on the open house, he says.

"I typically post a minimum of 50 photos of the home in the virtual tour," he says. "If you do it right, buyers get a real sense of the house before they ever walk in the door."

Market-savvy pricing is another key tool, Posnanski tells sellers. "If you price the house properly from the outset, there won't be a need for a price reduction, or a last resort like open houses, even in a down market," he says.

In the same vein, it's key to educate sellers on market and open-house realities, says O'Connell. He explains to sellers that open houses often attract browsers and tire-kickers, not people primed to buy, and they don't increase demand. "You can dangle dollar bills off the roof, but if there's not large demand out there, you're not going to create a buyer," he tells sellers. "People either want to buy or they don't."

Rosemarie Averhoff, CRS, ABR, co-owner of the RE/MAX-affiliated Capital Relocation Group in Columbia, S.C., warns clients about the security risks of open houses. For some visitors, the numerous comings and goings — and a distracted agent — provide an opportunity to pilfer. (For more information, see "Risky Business" in the September/October 2007 issue.) "Who's to say someone won't make off with the plasma TV?" she asks.

Averhoff and other CRSs tout the benefits of other tried-and-true marketing tools. These include advertising homes in newspapers, homebooks or real estate magazines, and displaying that "for sale" sign prominently in the front yard. "A serious buyer will see the sign and stop right in

front of the house to make the phone call that gets them in,” says O’Connell.

Last but not least, Posnanski advises clients to stage the house for sale, giving them tips on cleaning, organizing and arranging furniture and décor for maximum appeal.

## Enlist Others

Alternatives aside, many sellers will still want the open house, especially in a down market. And some CRSs agree that the tougher the market, the more important it is to hook potential buyers any way you can.

What’s more, open houses can help REALTORS® network and drum up business for each other, says Rick Geha, CRS, a partner with Keller Williams Benchmark Properties in San Francisco. Geha’s REALTOR® team holds open houses one weekend day for two weekends in row, then takes off the following weekend before repeating the cycle. So when a seller insisted that Geha’s team show his house both days of every weekend, Geha referred that seller to a colleague with little business, for a win-win.

“She held the house open every weekend for eight weeks until it sold — she

and the seller were ecstatic,” says Geha.

Geha, in fact, no longer does open houses himself. Instead he taps newer agents on his team to do them. Beginning agents at established real estate companies often welcome the chance to hold open houses for more senior, experienced agents, says Averhoff. Traditional companies use open houses as a training ground and means of generating clients for new agents, she explains. Such arrangements can benefit both you and the new agent, she says.

## Work It

If you’re up for holding an open house yourself, make the most of it, open-house advocates advise. It could render a sale on this house — or another one.

“If you prepare and really work the open house, it’s a fabulous way to get new business and showcase the house,” says open-house proponent and educator Marcie Roggow, CRS, of Real Estate Investment Company in Sioux Falls, S.D.

The open house is an agent’s chance to sign on buyers, so use it, agrees Craig Ackerman, CRS, MBA, of Ackerman Realty Group in San Francisco. After all, if this house doesn’t appeal, another one of your listings might, he says. In Ackerman’s view, “Homes are sold by people, not ads.”

Another strategy is to hold an open house for brokers. “They’re the ones controlling the buyers anyway,” says O’Connell. If you do hold a public open house, carefully craft the ad to help lure buyers, says Roggow. She recently placed an open-house ad for a home that had a 30-year-old coat of dark blue paint on the walls and badly needed renovations. The ad read, “\$275,000 home in million-dollar neighborhood, mechanically sound, needs your special touch.”

The open house attracted six potential buyers, says Roggow. 🏠

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For more information, check out the NATIONAL ASSOCIATION OF REALTORS® Field Guide to Open Houses at [www.realtor.org/libweb.nsf/pages/fg207](http://www.realtor.org/libweb.nsf/pages/fg207).

## Optimize the Open House

When he was a newbie REALTOR® in San Francisco, Rick Geha, CRS, wondered why his open house drew just three people, while the agent next door attracted a stampede of 60. “I thought, ‘Is he giving out lobster tails?’”

Geha’s competitors were doing nothing that elaborate. Their secret, the Keller Williams agent has come to learn in his 25-plus years in the business, was good old-fashioned preparation and marketing. And sure, free cookies don’t hurt.

Geha and other open-house veterans recommend these steps to success:

- **Spiff up the house.** Musts include cleaning, painting, banishing clutter and rearranging furniture. You’re cultivating an atmosphere that sells a fantasy, says Geha. Open the windows, turn on the recessed lighting, bring in flowers and rely on that proven tactic: bake cinnamon cookies in the oven, he suggests.
- **Get out the signs.** People notice signs, so post plenty of them well ahead of kickoff time, suggests Geha. He recommends at least 40 per house.
- **Knock on doors.** The more the better, but even informing immediate neighbors will likely attract more visitors, says Geha.
- **Time it right.** Sunday afternoons may not be the best times for open houses in some markets. In Minneapolis, for example, many REALTORS® hold them on Thursday nights because so many people head for the lakes on weekends, notes open-house educator Marcie Roggow, CRS, of Real Estate Investment Company in Sioux Falls, S.D.
- **Show up early.** Don’t arrive late and frazzled. It alienates both sellers and buyers, advises Roggow. Instead take extra time to get the house looking its best, she suggests.
- **Talk and connect.** “You’re there to guide buyers on the seller and the house and answer their questions,” says Craig Ackerman, CRS, MBA, of Ackerman Realty Group in San Francisco. “Communication is key.”

