

Are open houses necessary?

By: Dian Hymer
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Public open houses are a mainstay of the residential real estate business.

But, are they really necessary?

Recently a Piedmont, Calif., homeowner visited a few public open houses in her neighborhood before listing her home for sale. She was appalled at what she saw. The open houses were filled more with curious neighbors than with legitimate buyers. She resolved to sell her home without having public open houses. The house sold for the price she wanted, and it was never held open to the public.

Would the house have sold for more with public open house exposure? We'll never know. But the listing agent received numerous inquiries from prospective buyers who wanted to know when the listing would be open. They were unwilling to make a private appointment to see the listing, so they never saw it before it sold.

You might be thinking that nothing was lost; these buyers were less than serious. Not necessarily. Some buyers avoid making an appointment to see a new listing because they don't want to feel pressured into making a decision. However, if the home is open, they'll stop by and take a look. An open house provides a non-threatening environment for a prospective buyer to preview the property.

HOME SELLER TIP: A good reason to have your home help open to the public is that some buyers actually find the home they buy at an open house. Sometimes buyers are new to an area and find a house they love by chance. Often buyers who are looking with an agent are sent to an open house, particularly when a listing is new on the market. Sometimes buyers even stop by to see a listing that wasn't recommended by their agent and discover the listing is the one they want to own.

Several years ago, a seller whose house had been on the market for months finally allowed his agent to hold the home open for the first time. The ultimate buyers found the house at the open house and bought it. The buyers had been working with an agent. But, their agent had failed to show them the property. If the house hadn't been open, the buyers might never have found it.

It's true that neighbors, who aren't buyers, visit open houses in their area. There is a marketing benefit to this. Sure, it gives the listing agent good exposure in the neighborhood. But, it is also a way to get the word out about your listing. Neighbors often have friends who are interested in buying in the area.

Sellers often worry about public open houses because of the security risk. This is a legitimate concern. Take precautions to protect yourself by putting valuables in a safe place.

In some cases, the risk of an open house may not be worth the additional market exposure. The listing agent of a stylish home in the Oakland Hills was nervous about having the home open to the public because the owner had an expensive art collection. The seller decided against a public open, but the agent held extra broker open houses for real estate agents, and encouraged them to bring or send their clients.

If you do make public open houses a part of your marketing plan, use them strategically. An open house every week can send the wrong message. You don't want to get the reputation for being the listing that's always open, but never sells.



THE CLOSING: Treat open houses as a special event-to announce a new listing, a price reduction, or to let the world know that the listing is still available.

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