

STEPS TO MAKING AN OPEN HOUSE SUCCESSFUL

For many people, running an open house is an efficient way of getting the most exposure to sell a house, in the shortest amount of time. Whether you sell real estate part-time or full-time, open houses allow a great networking opportunity for real estate agents, real estate brokers, and buyers. There are pros and cons for open houses.

Everyone agrees that open houses can only be helpful for so long. In most cases, an agent will have not more than two open houses per house. A rule of thumb is that if a house has not sold by the time the second open house rolls around, you might need to rethink their selling strategy.

Often times the successful sale of a home is directly related to an open house. A good open house that is well planned and organized is a continuing source of new business. If it is not well organized, it can be a complete waste of time for everyone involved. To be successful, change the focus of an open house from reactive to proactive.

Many real estate agents tease about the "3P approach." This approach consists of placing an ad, pounding directional signs in the ground at the corner, and pray someone shows up.

The reactive scenario would be that a potential buyer shows up at the house, and is greeted by you. You inform the prospective buyer that if they have any questions to let you know, you take a comfortable seat on the couch, and wait. This is not going to help getting the house sold.

A proactive approach plays out where potential buyers show up and you first start by introducing yourself, handing out your business card. Next, you provide the buyers with an informational or spec sheet, summarizing the amenities of the house as well as any warranties. At this point, you have a wide open door to answer questions and "show" the house to the interested parties.

To have a well-rounded open house that reaches out to as many people as possible, some things you can do include:

- Invite Friends And Neighbors- Get in touch with past clients, family members, friends and acquaintances to provide them with the open house information and invite them to stop by. At this point, you should let them know there will be refreshments and that this is an ideal opportunity to see them. This shows everyone contacted that you are interested in keeping in touch and again, provides great word of mouth advertising. Stop by or send flyers to neighbors in the surrounding area. Although some sellers are uncomfortable with neighbors coming to their home, there are advantages in that one of them may know of someone looking for a home just like yours.
- Directional Signs - When putting up directional signs at the corners, if any of the corners are actually a part of someone's property, you should ask permission before the sign goes up. Not only is this considerate but it also makes a connection and could spark some interest in that neighbor learning more about the sale of the house.
- Be Ready - It is imperative that you be prepared to firm up an offer there on the spot. If the right buyer walks in and falls in love with the house immediately, you do not want them to walk away without making an offer. Therefore, all documentation required to close a deal should be at the open house.

When you think about it, there are two primary reasons open houses are offered - to attract prospective buyers in general and find a buyer for a particular house.

With technological advances, there are new options for hosting an exceptional open house. Here are some ways in which technology can help:

- Use the strength of networking with other agents. Compile e-mail lists of sales associates as a means of spreading the word. However, before anyone's name is added to an e-mail list, you need to obtain permission to avoid spamming. Prior to the open house, send out photos or actual invitations to attending person or to take a virtual tour on the Internet.
- Involve prospects interested in the house. Using a digital camera, take photos of the house and then e-mail interested parties the photos. Keeping the house fresh in a person's mind will help increase the potential interest level.
- Have business cards made for a specific open house. These cards can be made using a home computer for very little money. On one side, your information would be listed and on the other side, the open house information.
- Have samples of your newsletter at the open house and when a potential buyer signs in offer to sign them up to receive their own copy.
- Keeping copies of virtual presentations saved on disks on hand at the open house is a great idea for serious lookers. The presentation would include information specific to the home but also local schools, hospitals, merchants, etc.

Pros

Many agents feel strongly that open houses are a tradition and sellers expect it as part of the deal, another form of advertising. Open houses in big cities or suburban communities have become a part of Saturday or Sunday afternoons. Often people will go to open houses whether buying a home or not. Even if someone comes through not interested in the house, this is yet another media for advertising. For example, a couple is visiting open houses as something to do on a Saturday afternoon. They walk into one particular house and immediately think of a family member looking for a house. Each time a house is shown, one more person is aware of its existence.

One advantage of an open house is that it keeps sellers alert, meaning that they know their home has to be in order (clean, maintained) since a buyer could walk through in an hour's notice.

Another positive aspect of open houses is that they provide good feedback. This is a great way to learn information from potential buyers about comparisons for other homes and pricing.

Cons

Some agents and brokers view open houses as a waste of time for sellers and buyers alike. The concerns are that many people who come to open houses are first-time buyers, meaning they may not even have the proper credentials for going to an open house and making an offer. They are usually strapped for cash and struggle with down payments and closing costs.

Another down side is that because not everyone visiting open houses are in the buying market, you end up with neighbors who have never been inside your home being curious or sellers checking out the competition. However, remember, it only takes one person - the right person.

Offering an open house is a decision that needs to be agreed on between you and the seller. When weighing out all the odds, open houses still offer a great networking system, security to the buyer, and excellent visibility.