

To Open House, or not Open House, that is the question.

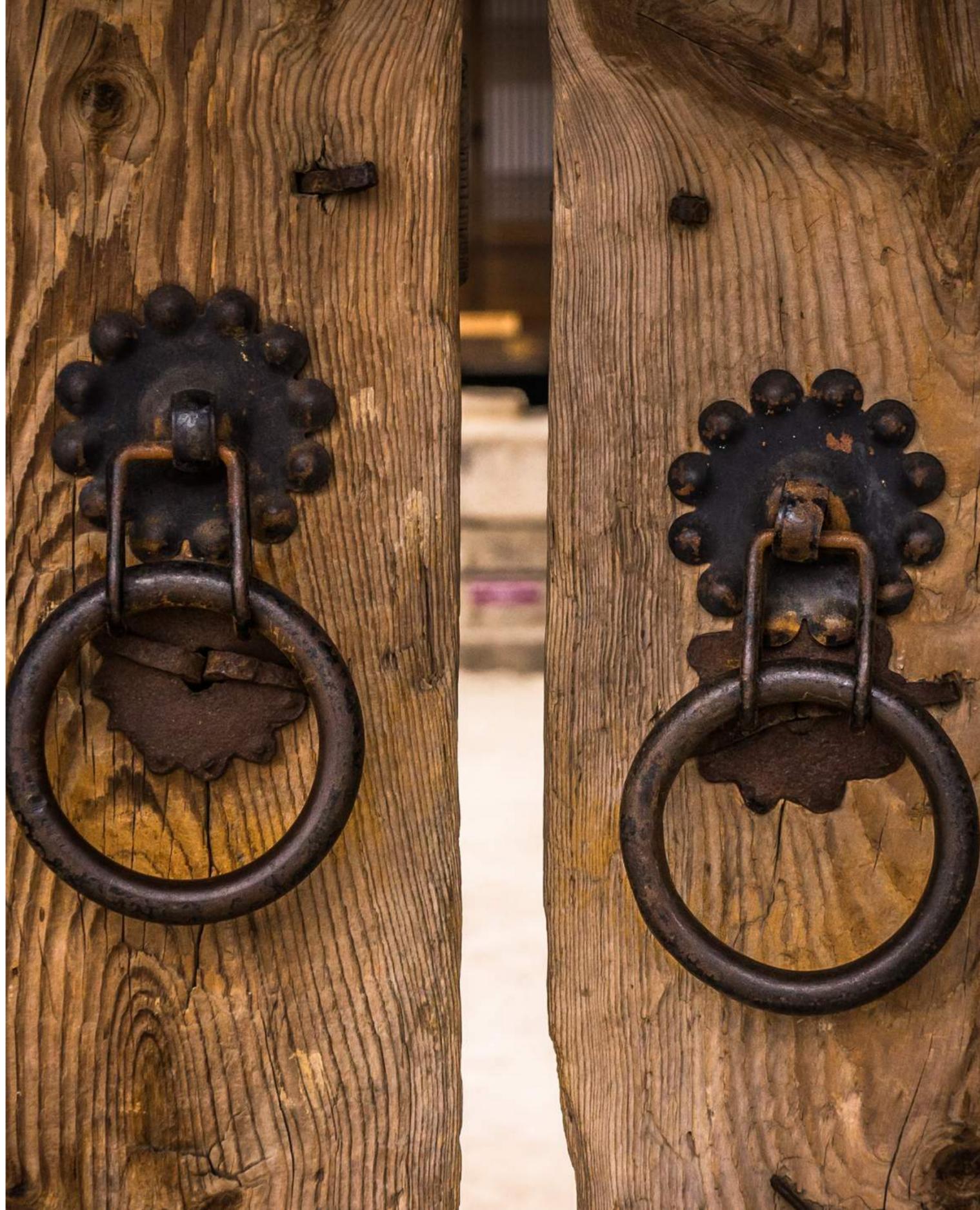
Do Open Houses Work To Sell Homes?



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By Heather Cleveland



This is one of the most common questions I receive, so let's talk about the pros and cons so you can decide for yourself.

A WORLD BEFORE THE INTERNET

Once upon a time, Open Houses were effective selling tools because it was one of the few ways buyers could see properties, so they increased the home's marketing exposure. However, technology has drastically changed how buyers shop for their new home now; in fact, statistics show that less than 4% of buyers attend.



THE NEW WAY TO SHOP

With the latest viewing tools, buyers have full exposure to property details, an endless number of still and panoramic photos, videos, 3D tours, conveniently available 24-7, and from anywhere and at their convenience.

Because there is so much information available now, one could consider online viewings to be the buyer's first showings. After researching the property, if buyers are interested in a walk-through, they will book a private showing with the listing Realtor or ask their own to organize one.

SAVING TIME & ENERGY

The tech-tools save everyone time and effort. Buyers can rule out properties that are obviously not suitable, and that saves sellers from preparing their homes and vacating for unmatched buyers.





DO YOU WANT BUYERS OR VISITORS?

Buyers actively shopping and ready to purchase will organize private showings so they can explore properties at their own pace and undisturbed by others. These are quality buyers that have spent some amount of time pre-qualifying the property to have some of their criteria. They have also chosen to commit their time and energy for a "second viewing", and this matches the seller's efforts of preparing and leaving for the showing.

In Open House, your doors are wide open to unknown visitors. There's no way to know if they can afford the property, if it's a suitable match or their intentions. Plus, there are potential security risks as you are allowing strangers into your home.



WHY A SELLER MAY CONSIDER HOSTING AN OPEN HOUSE?



AS SEEN ON TV, NOT.

If a seller sees benefit in opening their doors to everyone (including curious neighbours, dreamers, people out for a walk, or driving by), then having their Realtor host an Open House may give them peace of mind. However, they must also understand Open Houses don't actually work as they do on HGTV shows where the seller has an offer by the end of the day. In fact, some stats show the odds of receiving an offer because of an Open House is less than 1%, excluding super-red-hot market conditions.

SUPER-RED-HOT MARKETS

In a super-red-hot seller's markets, (THINK - the heydays for Vancouver, Toronto), Open Houses can be effective tools. They provide access to all potential buyers at one time, which can boost the sense of urgency or FOMO to work in the seller's favour.



FROM THE REALTOR'S® PERSPECTIVE

Some Realtors® volunteer to host an open house because during them they get exposure to new prospective purchasing clients and introduce themselves curious neighbours that may sell in the future. Open Houses are also opportunities to market themselves and boosting their brand recognition.

There are some Realtors® that believe Open Houses help the sale; however, the majority do not. Some stats show as many 63% of Realtors® do not recommend them to their clients.





WHAT DID I DO?

When I sell my properties, my philosophy for buyers is "quality over quantity," and I do not host Open Houses.

BUYERS, NOT VISITORS

I choose to focus on private showings for qualified buyers that have pre-determined that my property is a good match for them or at least has the potential to be.

OTHER CONSIDERATIONS



SPENDING BIG BUCKS ON SECURITY

I spend thousands of dollars a year on security systems to keep strangers out, so I'm not going to throw all that away to let unqualified randoms wander through to scope out my property.



WHAT ABOUT AGENT TOURS?

I also do not host Agent Tours (an open house for only other realtors) because if Realtors® have qualified clients, the property will come up in their custom searches, and they will request a private tour if it's a suitable match.

THE KEYS TO A SUCCESSFUL SALE

I believe the best areas to focus your time, money, and effort for a successful sale are:

1. **Effective pricing** on the open market.
2. Prepare the home to show in its **best showing condition** (i.e., declutter, neutralize, refresh, carpet cleaning, etc.).
3. Get the property ready to **pass inspection** (i.e., clean gutters and make sure downspouts are functioning, fix leaky toilets and faucets, replace failing window hinges, etc.).
4. **Professional photos** to maximize online marketing and first impressions to drive traffic through your front door.
5. **Be flexible** with showing requests to give buyers access they need and leave it in its best condition for the viewing.



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THERE'S NO RIGHT OR WRONG ANSWER.

Open Houses are not on my "to-do list," but they could be on yours.

WHAT IS THE PURPOSE OF THE OPEN HOUSE?

If it's to provide access to all with hopes of improving marketing exposure, then hosting an Open House is likely the right answer for you.

If you're hoping for an offer at the end of it, you have very long odds.

