

Why writing off open houses is a big mistake

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Key Takeaways

- A major factor that the open house nay-sayers miss is the ROI on a well-planned and executed open house as compared to other lead generation tools.

If there were a lead generation program that cost nothing, helped you meet more clients than real estate websites, apps, search engines or social networking, and allowed you to do a face-to-face presentation right now, would you use it?

If you said yes, it's time to revisit doing open houses.

In [a recent column](#), I outlined five secrets for digitally marketing your next open house. Several commenters extolled the virtues of virtual open houses using technologies such as Matterport 3-D virtual tours, virtual and augmented reality. I've been a huge fan of this technology because it is a tremendous seller conversion tool.

When it comes to buyers, however, the reaction I've observed repeatedly is, "This is cool, but when can we see the property?"

The nay-sayers slam the open house as being outdated, a tool that is no longer necessary in today's tech environment. The truth of the matter is that there are tangible benefits to both the seller and the [real estate agent](#) in offering a well-planned and executed open house.

Seller benefits

There's an old adage in real estate that is as true today as it was 30 years ago — maximum exposure to the marketplace equals maximum price.



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Although open houses can be a nuisance for sellers, it's an important part of the equation in achieving maximum exposure to the marketplace. It can also be considerably less hassle than doing single showings.

For example, when I sold my last house (it had five bedrooms), it took about 30 minutes to turn on all the lights, open all the shutters, remove all personal care items from the baths and make sure everything else was letter perfect.

Our broker instructed us to leave 10 minutes before the appointment, and it was common for showings to take 30 minutes or more.

When we returned, it took another 15 minutes to double-check all the doors and windows and turn off the lights. If we had pets or kids to clean up after, the prep time would have been even greater. Average time out of my schedule — an hour and 45 minutes.

On open house day, I prepped once and was gone for four hours. Assuming that we had six visitors, my prep and away time was 40 minutes per visitor; if we had 12 visitors, it was 20 minutes.

Open houses are rarely passed up

When inventory is tight, agents are clamoring to show the property no matter what. But in areas or price ranges where there are 20 or 30 properties to choose from, buyer's agents almost always choose the path of least resistance — they will show open houses and properties that are on a lockbox first.

Neighbors generate leads

Our subdivision was particularly popular with high tech professionals, especially those from China and India. The reason? Austin's no. 1 school district, new construction and large homes that would accommodate multi-generational families.

The people who purchased our home lived 50 minutes north of us and had no interest in purchasing a new home.

Because of that, digital advertising would have never reached them. Fortunately for us, one of our neighbors who worked at the same tech company saw our open house sign, previewed our house and then told his colleague about it.

Our neighbor knew his friends were unhappy about their special needs daughter having to attend a different school from the rest of the kids in their neighborhood.

When he explained that our district had programs to accommodate their daughter at the same school that the other kids attended, they agreed to see the property.

The couple brought their daughter to the showing. She happily skipped through the downstairs singing as she went. That's all it took to close the sale. There's no digital experience that could have ever created that outcome.

Agent benefits

A major factor that the open house nay-sayers miss is the ROI on a well-planned and executed open house as compared to other lead generation tools.

Geo-targeting

You can pay for [targeted Facebook ads](#) or use Google for a SEO campaign that includes "clicks" or "impressions." Unless you have money to burn, SEO campaigns in most metropolitan areas are exceedingly expensive.

[Facebook ads](#) work, but again are limited, especially if part of your target market doesn't speak English as their first language.

Your open house signs give you immediate exposure in a specific geo-targeted area.

Furthermore, as I mentioned in my previous column, agents are successfully using [Facebook Marketplace](#) to post their listings for free. They are also using their personal Facebook business pages to garner thousands of likes for their free weekly open house lists.

Higher conversion rates

According to the [2016 NAR Profile of Buyers and Sellers](#), more sellers first learned of their agent from an open house (5 percent) or a for sale/open house sign (6 percent) combined than a real estate website or app (10 percent), search engine (4 percent) or social networking site or app (4 percent). Yard signs or open house signs are where [8 percent of buyers found their homes](#).

According to [The Real Daily](#), 4 percent of attendees first met their agent at an open house. With the exception of direct referrals, other lead generation techniques pale in comparison.

Ultimately, the smartest approach is to combine the latest digital marketing strategies with proven traditional marketing tools such as open house to provide sellers with the maximum exposure that results in the maximum price.

Bernice Ross, CEO of [RealEstateCoach.com](#), is a national speaker, author and trainer with over 1,000 published articles and two best-selling real estate books. Learn about her training programs at [www.RealEstateCoach.com/AgentTraining](#) and [www.RealEstateCoach.com/newagent](#).

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