

Probably since the time you were born you have seen real estate brokers stabbing signs into the ground, duct-taping used-car style flags, balloons, and banners on homes, and crouching in someone's living room like a cougar ready to pounce on its prey at an open house. You've experienced this as either a potential buyer of a home and you never really felt comfortable looking at the home with the predator at your back—even the snare disguised as plate of cookies didn't quite lull you into becoming the kill of the day, or as a neighbor wanting to see how your home compared to some one else's—knowing that you were not going to buy the house next to your own, or you were just someone driving past and wanted to check out the decorating on a nice home.

According to the **National Association of Realtors (NAR) own research** (Survey of Buyers and Sellers, 2008) virtually nobody found the home they purchased at an open house (0%). Additionally, home buyers have become very smart with a ton of information on the internet and are not falling for any kind of a fluffy sales pitch from a broker. The plate of cookies aren't going to cut it.

Now wait, every *good* realtor in the market holds open houses. Well, here at REalMARKABLE we are all about giving you the straight story on everything related to selling or buying a home. But if we tell you open houses are useless at selling your home, and the *good* brokers tell you how important they are, then you're up against the "he-said, she-said" dilemma—who do you believe? So we've collected articles from newspapers and real estate industry press, written by real estate brokers and real estate experts, saying that open houses do not sell homes. Let's see what the insiders say about their own industry...

The first "insider" article is "**Who does an open house really benefit?**" from Inman Wiki dated 2/9/07 (www.inman.com), a real estate industry trade publication.

"The open house has been a mainstay of real estate sales for many years. The house to be sold is cleaned up, painted, landscaped, primped and polished to a spit-shine. Agents produce flyers listing features and benefits, put cookies in the oven to make the place smell "home-like", and engage all the potential buyers who walk through. The buyers are enthralled by the home and write full price offers on the spot. A contract for sale is signed, a "sale pending" rider is placed on the yard sign post outside, and off to escrow we go. Such is the typical scenario sellers hope for when they ask their agents to hold an open house. Let's take a closer look at the reality.

Who comes to open houses? Buyers who come to an open house may be unrepresented by an agent. They are a prime target for the agent. Sellers come to an open house to see how agents market homes. They are also prime targets for the agent. Friends and neighbors stop by to see what was done to the house. Other "Looky-Lous" stop by because attending open houses is their hobby. They have no intention of purchasing; just looking at the house is fun for them. Others come with less honorable intentions."

The article's author reaches the conclusion "*Open houses are really a tool for agents to find clients. The probability of selling due to an open house is rather small.*" The author then asks "So,

why do sellers want their agent to have an open house? And then concludes “mostly, because their agent has not shared with them the low probability of their home selling through this marketing method.”

In another article from Inman News **“In protest of open houses”** dated 5/22/08, the author opens with her statement *“I don’t hold open houses; I don’t believe in them. There, I said it and my secret is out. What kind of realtor am I?”*

She continues her confession with some feedback from fellow brokers. *“Agents in my market complain about hosting open houses. I ask them why they do them. They tell me that their clients demand it.”*

Okay, now the brokers are blaming the home sellers for demanding something every broker in town tells them causes a home to sell, even though the brokers know open houses do not cause homes to sell. So the brokers whine about doing something useless to keep from admitting to home sellers that open houses never did cause homes to sell. Oh what a tangled web we weave, when first we practice to deceive. Shut up and break out the cookies kids.

The final quote from our broker-author is perhaps one not only home sellers should read, but also a few brokers. But even if they read this would the brokers really have the guts to say “my commission is six-percent of your home’s value, and I’m not willing to do an open house.”

“We all know the reason realtors hold open houses is to meet buyers; only a very small percentage of homes sell at opens. It is so rare that when it happens, people talk about it for years and the sale becomes part of the open house lore. As an industry, we have managed to keep the myth alive that part of selling a home is sitting in it for two hours every Sunday afternoon. Open houses were invented during a time before the internet, when consumers had to rely on realtors, yard signs and newspaper ads. Those days are gone, but the opens live on.”

You’re pretty bright and getting the point, and starting to burn out on reading about open houses. We’ll give you just one more article in case that broker’s 6 percent fee starts looking pretty good when you see their shiny new open house sign and banners.

On 7/13/09 RIS Media (www.rismedia.com), another real estate trade publication, printed an article titled **“Rethinking the Open House”**. It starts with *“It’s a familiar weekend scene in American neighborhoods, the ubiquitous Open House; three signs, a flag and one seriously bored agent watching Rachel Ray reruns in the family room.”* Sounds like some serious **marketing** going on here...

This broker-author has a slightly different take on the purpose of open houses than our last two. She states *“The true purpose of an Open House is neither to sell the home nor to “pick-up” a ripe buyer. Nor, is it to placate the seller. The purpose of an Open House is to build listing dominance in the neighborhood surrounding the home.”*

Oh great, so brokers want to “dominate” a neighborhood based on the pretense that open houses sell homes. Maybe you better read **Can a Real Estate Broker’s Advice be Trusted**. Why can’t

brokers admit to home owners **What Really Makes a Home Sell?** Our conclusion? It would mean admitting a broker has very little to do with making a home sell, would devastate many egos, and would cause broker fees to plummet. That's all. Enough of our ranting, back to the article.

The broker-author now continues with her lesson on impressing the home owners in the neighborhood with her advice to fellow brokers. *"While luck and signage will bring buyers to the home, your goal of future listings requires that you send the right message to the sellers. The success of your Open House should be measured according to the neighbors you have made a positive impression upon."* She gives eager fellow brokers some tips on getting this whole impressing the neighbors thing just right. We won't make you suffer through everything, but here's some of the funniest stuff.

"Walk the area...the week prior to your Open House." "Knock-Knock, Hi I'm Ben Selling from Super Realty. Next Saturday, we are having a little barbecue across the street to help the owners sell their home."

[Sorry, but we've just got to stop for a second here—imagine air-raid-like sirens going off with one of those really monotone broadcasters making the radio announcements for the emergency broadcast system. This statement should raise some alerts for you. Argh...the whole scenario described here is so stupid we can't stand it—what the hell does a grilled hot dog have to do with selling a home!? Okay, we're now returning you to the regularly scheduled program already in process.]

"...we are having a little barbecue across the street to help the owners sell their home. If you are interested, I could send you an invitation with all the information?" Okay, after old Ben here dazzles the neighbor for a while and has a few canned rebuttals to anything a home owner might object to, the author finalizes her strategy on "dominating" the neighborhood.

"An Open House is a legal excuse to plaster the neighborhood with your name." "Signs, signs, everywhere signs. Signs that say who you are, signs that say how hard you work, signs that seem to be everywhere, signs that, without even being aware of them, reach people at a subliminal level and say, WOW, this Ben Selling seems to be the go-to-guy around here."

[Air-raid siren alert: we are going to puke]

Her final advice to her fellow brokers, just in case you missed it is *"Remember, the purpose of the Open House is to attain listing dominance in an area that will BENEFIT YOUR BUSINESS."* We capitalized this last part of her quote; it was not all caps in the article.

It can be SO embarrassing to be a part of this industry. Please try to wipe the tears from your eyes from laughing at real estate brokers and just read the two articles that pop up from the orange links below. This really is what you need to know and do to sell your home. Thanks.

So if open houses, homes magazines, and direct mail are useless, how do you effectively market and sell your home without going broke? Well, before you jump on board any hype from various sources about the latest marketing tactics, stop to think **what really makes a home sell**. With this in mind, also try to understand that "**marketing**" is the oversight of everything that causes a home to sell, not just the "advertising" of the home. When you are done with just these two articles you will know more about selling a home than most brokers.