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Is an open house a waste of time?

Agents admit that few sales traditionally come from open houses. And now the Internet is making them even less valuable.

By Melinda Fulmer of MSN Real Estate

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Los Angeles real estate agent Liz Johnson loves open houses, but not because they move her properties. The real reason Johnson holds them is because they bring her more business.

Prospective home buyers walk through and ask what other listings she has. "They've always been better for agents than sellers," she says.

The proliferation of Internet listings and other online real estate information is quickly making open houses more of an option, rather than a requirement for selling a home. In 1995, just 2% of home buyers used the Internet to look for a home, according to the National Association of Realtors. Last year, 77% of home buyers shopped online.

Indeed, only 2% to 4% of Johnson's listings sell from open houses. "It's not a necessity," she says.

Agents, sellers question effectiveness

For the most part, Johnson, an agent with Dilbeck Realtors and a 25-year veteran of the real estate business, doesn't hold open houses for her listings unless sellers press the issue. Most of her sales come from her contacts with other agents and from the multiple listing service, she says.

Many agents now refuse to hold open houses, considering them a waste of time and a security threat. And many sellers now prefer to open their doors to serious buyers only.

"They're not effective," says Daniel Fellars, a 29-year-old software engineer from the San Diego suburb of San Marcos, Calif., who put his four-bedroom, two-and-a-half-bath home on the market last year. A series of open houses did little to move Fellars' previous house. "We had an open house five weeks in a row and never got a single person to come to our house," he says.

What's your home worth?

In the next week, he will add a video tour, showing every nook and cranny of the house, much as an agent would.

So far, the blog has brought in about 20 interested buyers, but he has received no offers. Fellars says he knows he faces an uphill battle, given the slowing housing market and the other four houses for sale on his street. But a few of Fellars' neighbors recently had open houses and he says, "I haven't seen any cars in their driveways."

Open and shut

Consumer sentiment about open houses has waxed and waned over the years, along with the ups and downs of the real estate market. In 1995, 41% of buyers surveyed relied on open houses to sell their home, according to data from the NAR. By 2000, it had dropped to 28%. Beginning in 2003, however, as the market started to heat up again, that number began rising. By 2005, the last year for which data is available, 51% of all sellers were using open houses, though not all agreed they were effective. Some 45% of sellers found open houses only "somewhat useful" and another 12% didn't consider them useful at all, according to the NAR.

"Many sellers are just a little bit leery of having an open house," says Pat Vredevoogd, agent and broker-owner of AJS Realty in Grand Rapids, Mich., and incoming NAR president.

Some, she says, are worried about letting complete strangers roam freely through their house, with access to electronics, jewelry, prescription drugs and personal information.

Others just don't want their neighbors and a host of other so-called "looky-loos" wasting their time just for a look at their décor.

And many agents won't do them for security reasons, as a number of their friends have been killed, as they sat in an empty house alone and vulnerable.

Americans spend millions of dollars a year to find out their credit score, but our money experts say it's money wasted. The credit score you buy often isn't the one lenders use.

Video by: Consumer Reports

Duration: 1:53, Date: 7/3/13

Views: 6760 Rating: ★★★★★

most didn't produce a sale. "Over houses I sold were from an open

Home affordability calculator

house," she says. "Personally, I think it's a waste of time. It's one of those things that has gone by the wayside."

Before jumping into an open house, Vredevoogd counsels her clients to put the house up on the local MLS and other Web sites, with a lot of pictures and perhaps a virtual tour if the home has a lot of nice features. She sends out a barrage of e-mails to other agents and makes some calls. If the house isn't getting a lot of interest, only then will she go through with an open house.

Online house hunting

"There's no doubt about it, the Web is changing real estate," says Colby Sambrotto, chief operating officer of ForSaleByOwner.com. While his site, which lists about 100,000 homes a year, gives people the tools to hold and advertise an open house, he thinks more of the browsing is now done online.

Home buyers, he says, don't want to spend a day in the car with a Realtor like they did in years past. Many people want to spend an hour or less, and zip out on their lunch break to see a house.

While this may inconvenience sellers, who have to show their house more often, Sambrotto says it's worthwhile because these parties are more serious. "They're not looky-loos," he says. "They've done their research."

When open houses still make sense

There are times, says broker Greg Meer, Sr. of Keller Williams Realty in Las Vegas, when an open house is not practical at all, such as if a house is off the beaten path, or in a gated community. Likewise, it might be best to avoid an open house on a shabby listing or one that requires a lot of work. It probably won't get much traffic, he says, and agents will be reluctant to have their name advertised heavily in association with it.

But an open house can be a valuable opportunity to get feedback about what is and isn't attractive about a house, Meer says. He cautions buyers against holding them too often, however. "It can send a signal that (a house) is a little bit market worn and a tough property to move."

In Meer's opinion, an open house is only worth having if it's done properly. That involves sprucing up the house and its landscaping and advertising it well in advance. "Over the past couple of years, people got spoiled by being able to throw up a sign and get lots of traffic," he says.

Desperate measures

Nationwide, home sales are expected to drop 6% this year, and sellers in many markets are already dropping their prices. That may prompt more agents to turn to open houses as a last-ditch effort, Vredevoogd says, after years of avoiding them. "In a buyer's market, if you are a seller you want to try everything."

In many markets, that includes hiring a professional stager to make your home look brand new, or at the very least, tastefully appointed. Gail Mayhugh, a professional home stager and owner of GMJ Interiors in Las Vegas, said she has seen an uptick in her business as the once-hot housing market has cooled.

"All of a sudden the agents are calling me for open houses," she says, and many are willing to spend part of their commission to make their property stand out. "There were 19 of the same floor plans for sale in one neighborhood," she recalls.

And while open houses may be declining in many parts of the country, some neighborhoods are finding them effective ways to raise the profile of an entire community, if they are all done at the same time. Recently, four neighborhoods in the Grandmont Rosedale area of Detroit teamed up for a joint open house with 35 of the area's homes open for viewing on a single day. And developers in Long Beach, Calif., showed 2,300 housing units in that city's downtown on May 20, in an attempt to stimulate sales.

See-it-to-believe-it homes

To be sure, in some cases, a house is just too unique to market without an open house. Art professor Mercedes Teixido and her husband have had three open houses in the six weeks their two-bedroom Pasadena, Calif.-home has been on the market -- the most recent was held after they had already accepted an offer.

Their house, they say, is the kind you have to see to believe. "It has a unique sensibility," Teixido says, with spacious rooms and a large amount of built-in furniture that was done by hand, including the master bed and nightstands.

The photos on the MLS didn't do these features justice. And getting people in from her surrounding neighborhood did help. She has now accepted an offer and has a back-up offer just in case.

"Part of the reason for having an open house," she says, "is you do just want to find someone who falls in love with it."

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Mack Bolan

Jun 21, 2013 6:36AM



I understand what you are saying but I think I have to disagree. Even though there are online open houses where you can view a simulation of the house, if you will, it's easier and quicker just to look at the brochures to see if you'r einteresting. Then it's never a bad idea to check out the place in person because the actual "look and feel" is more important than an idea of what you would like in your had. Think of it as hands-on experience if you have to. The same goes for every animal hospital, including the [animal hospital in Norwood Park](http://www.abellanimalhosp.com).

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Someone

Feb 6, 2012 8:43PM



There are very few people in this world who gives such tremendous views. I appreciate your work and hopping for some more informative posts. <http://www.hazelhomesva.com/>

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Someone

May 30, 2011 5:48AM



This video answers the question of "do open houses work?" : <http://youtu.be/DtroBHGFOH4>

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RRealtor

Jul 21, 2009 7:30AM



Hello! I will have my open house this Sunday and I am looking forward to it. Please come and join with us.

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T Hill

Jul 18, 2009 1:23PM



Helpful article. I am in the buying market right now. Having a hard time finding open houses, actually. Go figure.


When was this article written? I don't see a date anywhere. Odd.

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