

Open House Plan and Insights



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What is your true intention when holding an open house?

Is it to sell the property? Is it to appease the seller of the house, or a favor to another Producer in the office? Or is it to develop new leads sources and discover buyers/sellers in the market ready to buy and or sell now? The latter should be our only motivation.

Is the game of tennis your passion?

Imagine that you have never played tennis in your life, but recently it has become your passion. With this new passion you practice your swing during the week and play competitively every other weekend. Would you agree if you played tennis with this frequency, you could see some type of improvement over time? If you said yes, then would you agree that would also be true with holding open houses?

Let's explore what can happen for you as a Realtor or Loan Officer if you make the Sunday Open House part of your lead generation program.

Let's take an old idea....follow a well-developed plan.....and make incredible income.

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Remember you are auditioning for a future job. Help them buy. List their property. But also one day to meet their financial planner, CPA, or other professional introductions.



**Looking for your commitment.
“This is not about trying, it is
about doing.” It is about passion.
Yes, even for open houses.**



***Specialists are
focused and get
paid more than
generalists that
wander. Specialists
at times may have
been a generalist,
but they have
learned their
lesson and live a
more balanced and
richer life.***

Too often Producers “try out” this lead generation program or that one. Basically, they are ready to bail on the lead generation program because it is not working. Expired listings this month, next month they try By-owners. Soon they try calling on banks, or the latest and greatest in internet leads. It goes on and on. In the end the Producer treated lead generation programs like a dinner buffet. I will try a little of this and a little of that and take a double portion of this. It looks easy, the Producer becomes busy, but not a productive member of the team.

This is a catastrophic business plan which generates unintended consequences in our industry. Many are forced to get a part-time job or leave the business. Income is inconsistent and Producers wonder if it was the economy, the brand name or perhaps the training that created their situation. Doctors, school teachers, lawyers, accountants and other professions know the wisdom of specialization. We **MUST** specialize and not be a “jack of all trades and master of none.”

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The upside to open houses!

If your Sphere of Influence or marketing efforts are not producing high sale prices, try to hold an open house that is two to three times your normal price point. This will help you double or triple your average commission check and allow you to be referred a different type of clientele.

An open house is a great opportunity to encounter people that are possibly “in the flow” of buying or selling.

Eliminate the bad leads so you don't invest valuable time on low probability opportunities. Too many producers waste unrecoverable time on leads that had 0-10% chance of going through. They failed to qualify or scrutinize the lead. In the end they are busy, busy, busy but not productive. That is equivalent to someone falling out of a boat and swimming out to sea instead of land. They are putting a lot of effort into it but in the wrong direction.

Select the good leads and be committed to a follow-up program. Meeting new leads is only 10% of the job. Almost anyone can find a lead, the conversion and follow-up is 90%! When a Producer fails to follow-up they are forced to start over again. When this is done enough times, failure is imminent. When follow-up is mastered income flows and flows and flows in your direction. All it takes is your commitment.

BAD ADVICE FROM ANOTHER PRODUCER

When I was a brand new agent in the business I asked the top agent in the office for advice on lead generation. I had no listings and was hurting for money. He recommended that I hold one of his listing open. Wow, I could not believe I had this opportunity!

My expectations were so high that I baked chocolate chip cookies and bought decorating magazines to put out. I put on my suit, shined my shoes, put up the arrow signs and was set. I was going to sell the listing this weekend! This open house was my ticket to success!

At the end of the open house the seller came home and asked me about the number of buyers that came through. I told them that I had met a few neighbors but no one else had come. I saw their disappointment and offered to do it again next week! (I was naive.) This too was a complete waste of my time. I realized that I needed to have a system to evaluate the probability of a sale or lead coming from the exchange of my money and time. Bottom line I had limited resources and they had to work!

I discovered later that the listing was very overpriced and had high DAYS ON MARKET. The seller also said they had not had a showing in a month. When I met with the listing agent later, he opened up to me and said the open house was mostly done to appease the seller as their relationship was strained.

I knew that I had to do a far better job scrutinizing every lead generation choice I made. I matched each lead program with my personality and the potential each held. Then I acquired the skills to succeed.

QUESTIONS REGARDING YOUR EXPERIENCE HOLDING OPEN HOUSES?

Take a moment and answer these questions:

1. What do you do an open house that makes you stand out? Are you remarkably different than the agent or loan officer attending an open house down the street?
2. Do you follow a preplanned script with excellent questions?
3. What is your plan when more than 2 parties are in the house at one time?
4. Do you have interesting market data that intrigues the buyer?
5. How would you rate your current follow-up system? Does it need work?
6. Prior to the open house do you always preview the neighboring properties for sale?

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7. Do you have packets of other properties for sale in the area to demonstrate to buyers?
8. Do you give a tour to a buyer?
9. If you use a sign in sheet, does it ask the lead if they have a buyer's agent?
10. If you use a sign in sheet do you ask them to sign it upon entering or upon exiting?

ARE THERE REASONS NOT TO HOLD AN OPEN HOUSE?

1. Do not hold a property open if it does not meet the majority of the criteria needed to hold a quality open house. (See list below.)
2. DO NOT FALL VICTIM to another Producer's request to hold their property open if it is being done to appease the owner yet it is in a bad location or overpriced.
3. DO NOT FALL VICTIM to your seller's suggestion to hold their property open. They usually ask this because the property has few showings or is not selling. In truth, it is not selling because of the marketing plan; it IS NOT selling because the asking price does not match the market. Only hold the property owner because you want to generate leads, not because you have to appease a party.
4. If you are by nature are a Hunter – in other words you should generally not hold a property open, your skill is best used pursuing leads that need less follow up and have shorter sales cycle, DO THIS FOR THE RIGHT REASONS.
5. You do not have time to do the upfront preparation needed before the appointment – too often Producers show up with a smile and a business card. Then they wonder why it didn't work.
6. You do not have a reliable follow up system – it is essential that a Producer has a follow-up program far better than the competition, remember the potential client may have met four other Producers on the same day.

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Who comes through an open house?



Approximately 8 out of 10 people attending an open house have absolutely no interest in moving. Those that do attend often “want to move, but they do not have to move.” Even those that “want to move” generally have a longer sales cycle than prospecting the Expired or By-owner which are members of the fast sales cycle family. Here is a list of people that come through;

1. Nosy neighbors

2. Relatives of the seller sent in the property to spy on you (Yes that happens.)

3. Buyers not yet associated with another Producer – Buyers rarely buy the property they viewed at an open house, but it is where they met their agent!

4. Buyers with a house already on the market but potentially dissatisfied with their buyer or listing agent – these type of buyers often initiate a request to review your services

5. Buyers with a house to sell that is on the market BY-OWNER

6. Buyers with a house to sell that is receptive to your opinion on price

Who is my competition?

1. Agents in your office.

2. Veteran agents so you **NEED TO BE PREPARED.**

3. The brand new agent.



What type of Producer (Hunter or Farmer) does best at the Open House?

When at an open house you are waiting for the leads to come to you. Hunters by nature chase new leads. Farmers are more relationship oriented and prefer the lead to come to them. Farmers generally are more patient and better suited for this type of lead generation.

How many transactions can I expect from the open house program?

1. As an agent I planned on having 250 open houses per year. I had a team of agents that were very successful at open house conversion. Monday we were rich in new leads! As an agent, if open houses are part of your business plan, consider budgeting time to do a minimum of 20 per year. If you are a TEAM LEADER do you have a goal of 50, 75 or perhaps 100 open houses per year? If yes, make sure the agents are trained well to convert leads.

2. A part-time Producer can expect to close 5-10 transactions per year. A full-time Producer that is committed to this system as a regular part of their lead generation can close 20+ transactions per year.

3. If you are a TEAM LEADER, your business plan involves having a successful sales force. Two buyer agents on your team should produce a minimum of 20% of your annual revenue. This is an excellent way to improve their skills and place them in the flow to bring leads to your team.

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What if I am a part-time producer?

This lead generation system is one of the few that fits very well with either the full-time or part-time Producer. One of the benefits of this system is you get to practice on the public. Meaning that you get to practice and improve quite a few skills on strangers. Better to test your skills on a stranger you just met vs. a friend that may be send you a referral.

What is the probability of selling the property at the open?

Per NAR about a maximum of 5%. Let the seller know the statistical odds of a buyer being discovered.

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How do I choose a property to hold open? Aka: QUALITY CONTROL CHECKLIST



1. The property should meet the majority of this quality checklist

- Ideally it has low Days on Market – if it has high DOM, it usually indicates the asking price does not reflect the features in the property, in other words the property is overpriced. Remember the people that come through the open house may believe that you are the listing agent, thus if it is not selling they may think it is your fault.
- It should have a decent amount of showings in the last week or two – if it has had no showings recently it probably will not have any on the day you hold it open.
- It should be in an area that you service – if it too far from your home or office you may not be motivated to drive back there. Unless it is a luxury property and you are trying to enter that market place.
- It should be in an area that you feel safe – remember you are meeting strangers, your broker, the company training programs or policy manual are usually some of the resources to consult regarding this addressing this issue.
- The property should “show well” to hold the buyers interest – you will have a higher probability of obtaining this buyer the longer they remain in the property



What Do I Wear?

1. NAME badge if possible.
2. Conservative clothing.
3. Gentlemen should consider wearing a suit or at least a suit coat.

Remember you are auditioning for a future job. You have hope to one day meet their financial planner, CPA, or other professional introductions.

What are my Goals at an Open?

1. Obtain email
2. Obtain home address (and other contact info)
3. Discover who is decision maker
4. Must discover if they have a house for sale
5. Give 3 to 5 properties in a packet (attaché resume and business card) laminate
6. Create a reply card
7. Set stage to be invited to their home

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How Do I Promote the Open?

1. Promote on FACEBOOK, MLS,
2. Put signs where they are allowed – ideally the day before
3. Knock on 25 or more doors in the neighborhood – keep in mind why you are holding the property open – to meet new people! Hand them an invitation.
4. Balloons bring attention.

What Do I Bring with me?

1. Zip code report – everyone lives in a zip code!
2. CMA reports of that area
3. Probability of selling report – people are surprised by the outcomes
4. Packet of houses you previewed
5. Fresh sign in sheets
6. Business cards
7. Your schedule so you can set appointments
8. New client profile sheets

Should I bring a Lender or another Agent?

1. Yes if they understand their role. A lender can be very helpful to convert a walk-in lead to a solid buyer ready to go!
2. It is a great opportunity to train another agent

Should I Give Them a Tour?

1. It depends on the numbers of parties coming through.

2. You don't want to be spending time with a nosy neighbor showing them the master bedroom when a "real buyer" walks in.

3. It is wise to have another party at the open house with you.

What if I Have 3 or 4 Buyers at the Same Time?

1. Stay on the main floor of the property, ideally in the kitchen.

2. Write the answers to the questions you ask each party on a fresh profile sheet.

3. If a loan officer or other agent is present have them greet new parties.

How Do I Get Their Contact Info?

1. After you demo the list of properties you brought with you ask them 'by the way, based on what you said about how many bedrooms and baths you need (or whatever) I have a couple of properties in mind...would it be ok if I sent them to you or "by the way I could also email it to you if you don't mind?"

3. I have an Economic Report

Questions to Ask

The goal of the questions is to discover motivation and timeframe of the Buyer.

1. Have you been given the "Off-Market" property list? It contains a list of sellers off the market; but, some are still willing to sell.

2. If I find a foreclosure in the area, would you like me to contact you?

3. When did you purchase your current home?

4. We are in ____ elementary school, do you live nearby?

5. If you did move are you trying to stay in Parkway school district?

6. Interest rates are about xxxx have you had a chance to meet with a lender or refi lately?

7. Can I ask you how long have you lived in your current home?

8. This is listed at \$x, is that about the price point you are looking in?

9. Give packet "here are five homes for sale in the immediate area with 3 different brands. What is interesting 3 of 5 are selling less then they paid (or whatever) ... this first one is also a 4 bedroom and is a 3 car have you been inside that? I viewed it. It has an incredible new kitchen ... just out of curiosity have you made any major improvements recently to your property?

10. If you sell, are you going to try by owner for a while to save some fee?

10. By the way if I found a property that sounds like it meets your needs, would it be ok if I emailed that to you?

11. I know time is limited do you look mostly on weekends or during the week(tells you if they could be going out with another agent)

12. There are a few open houses today, have you made it to the one on ____, or is this only one you have seen so far?

13. There are 8,000 agents in the area.....when it comes time to interview agents as a buyer agent... other than driving safely is there any special request or skill you want in an agent?

14. Do you have a feel for what price you would ask for your current residence?

15. I don't want to step on anybody's toes...can I ask have you been looking mostly on your own or with a particular agent?

16. Are you selling by owner right now or are you listed on the house on the market?

17. How did you determine your value appraiser 3 agents or pluck from air?

WHAT QUESTIONS SHOULD I NOT ASK?

1. If you meet a party that asks you your fee to list their home, TRY TO NOT THAT QUESTION. Your goal is to set an appointment and share what your services are. Many Producers I have trained are comfortable with this response. "You asked what my fee is, the best way I can answer that is it is project based. It depends on how your property shows compared to the competition and the supply of inventory in your immediate market. Can I ask you "what is your high-low valuation of your property?"
2. Do you have a buyer agent? The challenge with asking this question to soon is the buyer may not tell you the truth. They know if they say yes, you will probably leave them alone. So by asking the question at the wrong time the Producer actually created the opportunity to be told a lie. The buyer was just trying to protect themselves.
3. Would you mind signing in please? Have you ever been to an event and they asked you to sign in just as you walked in the door? Most of feel very uncomfortable giving this information to a stranger. A friend of mine and his were recently at an event and she was asked to provide her contact info. The party asked her to do this and she felt pressured and provided false information. Like many people she felt it was easier to provide false info versus refusing to do it.
WAIT until you have developed some rapport. Then the buyer/seller may provide their information willingly.

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THINGS A BUYER MAY ASK

1. Where is seller moving to
2. Is this a short sale
3. Is the price flexible
4. Seems overpriced
5. Will they take xyz price
6. Why hasn't it sold
7. Will they take a contingency
8. Why are they moving
9. May ask about others for sale in area

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What is My Follow Up Plan?



What Do I Give Them?

1. Have packets of competing properties ready to go
2. Tips on “how to buy a property in this economy”

Track Every Buyer

Staying organized is extremely important. It will allow you to prioritize each buyer and decide on your next step for follow up. Use a pre-written profile sheet.

In part it depends on their motivation and how you rated them. It must have a call to action. Give them a reason to choose you. Why are you different? See Bryan’s videos for more insight on FOLLOW UP.

1. Ping them. What do you think they want? Send their tax public, realist with cover letter, aerial, app table, old mls reports, cma micro macro. Cover letters are important.

2. Failed listings with your competition

3. Of course properties to excite them to move forward

4. Trigger listing conversation After the open house

After the Open

1. Complete lead profile form
2. Use oversized envelope when possible when following up
3. Follow up within 24 – 48 hours (Remember you could be competing with other agents.

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