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### House-hunting out in the open

01:00 AM EDT on Monday, October 20, 2003

BY ALAN J. HEAVENS  
Knight Ridder Newspapers

It was conceived in the late 1970s to jump-start a residential real-estate market battered by a weak economy and double-digit fixed mortgage rates.

It proved its worth during the glory days of the mid-1980s, when it provided the most exposure -- and the quickest turnover -- for houses in both city and suburb.

And, as with all marketing tools, the open house has undergone some alterations over the years. These days, some agents and brokers use open houses only as a last resort, or as a way of breathing life into a slow-moving property -- one for which the price has been reduced, for example.

"If anything, the hours for open houses are shorter," said Joanne Davidow, a broker and manager of Prudential Fox & Roach's Rittenhouse Square office in Philadelphia. "By limiting the hours, you get the serious buyers instead of people just out for a Sunday stroll.

"We've come to realize that the same number of people will come to an open house in an hour as would in three hours," said Davidow, who has been selling real estate for 25 years. "If a buyer can't make the open house, he or she will make an appointment."

Other than getting an agreement of sale, which most agents say is quite rare, how do you define a successful open house?

"To consider an open house successful, six to eight people will have to pass through the front door during that hour," said Mike McCann, who sells real estate with Prudential Fox & Roach's Center City office.

"We recently had 28 people show up at an open house on Spruce Street," he said. "That was unbelievable.

"While having to work a seventh day knocks the wind out of an agent,"

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McCann said, "open houses have become essential in most property sales."

Noelle Barbone, manager of the Weichert Realtors' office in Paoli, Pa., said sellers who did not want open houses would be better off with them.

"Instead of having to get the house ready night after night for appointments, the seller would just have to do it one day a week," she said.

The strong real-estate market tends to rule out open houses, because many properties get scooped up as soon as they hit the Multiple Listing Service.

"I encourage my agents to hold open houses even if there already is an agreement of sale," Barbone said. That isn't an attempt to circumvent the sales contract in search of more money, she said, but is done with the realization that agreements are "vulnerable to home inspections, so as much exposure as possible is a good thing."

Virtual-reality tours of residential real-estate on the Internet have fine-tuned the open house as a marketing tool, rather than replaced it.

Data collected in 2003 by the National Association of Realtors show that 72 percent of 3,000 recent buyers responding to an NAR survey drove by or viewed a house for sale as a result of an Internet search.

Seventy-eight percent found photos of the houses they saw listed on the Internet "very useful," while 46 percent said the same thing about virtual tours.

Only 15 percent did not use virtual tours at all.

If the data are to be believed, the Internet has increased the median amount of time buyers spend looking for houses and the number they look at.

Internet searchers spend eight weeks looking at 12 homes. Nonusers spend five weeks looking at only seven.

"Virtual tours have taken over," said John Duffy, owner of Duffy Real Estate in Narberth and Wayne, Pa. "Their use, especially by people 50 years and older, have far surpassed the open house in use as a marketing tool."

"I once thought that only young people were computer -savvy," he said. "But I was wrong."

The virtual tours are offered to all clients and cost \$80 a listing, he said.

There can be drawbacks, though.

"A lot of interiors don't show up that well," Duffy said, "even though improvements are being made every day."

Barbone agreed. "Everything always looks prettier in person."



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Consumers are not basing purchasing decisions on what they see on their computer screens. Rather, they are using the tours to limit what they are willing to look at in person.

In fact, the NAR survey showed 52 percent of all Internet users visited open houses, while only 38 percent did not.

That is a good thing and a bad thing, many real-estate agents agree.

"A house is more than how it looks, but how it feels," Barbone said. "And looking at something on a computer screen doesn't tell the entire story, so a buyer may be ruling out a house that may be the one they should be buying."

Ruling something out before seeing it is a major reason Duffy continues on the open-house route.

"When the location of a house makes it sound as if it is on a busy street, buyers' agents won't recommend looking at it to their clients," he said. "The open house allows these buyers to see it for themselves, and then pass that information on to their agents."

Who shows up at an open house?

Future sellers who are looking to see how an agent presents the property for sale and the kinds of things that are selling these days. This, Davidow said, typically bears fruit a year later.

People who are thinking about buying a house but are not ready to commit to anything. Although they may sign in, they usually tour the house quickly and do not say anything.

Buyers who are sent by their agents. "We sell more houses to buyers sent by their agents than to buyers who come on their own and fall in love," McCann said.

Open houses also can be used to generate new interest in old listings.

"It is redundant to use open houses every week," McCann said. "But if a house has been on the market for a while, and there has been a price reduction, then an open house is in order."

Many sellers do not want open houses. There are security issues behind much of the opposition (they also surface in the case of virtual tours), but such sellers also fear scrutiny by their neighbors.

"As agents, we hope that the neighbors will come in, like what they see, and tell their friends," McCann said. "Sometimes it happens, however, that a neighbor will come in and talk down the property."

As far as security is concerned, "we tell people to put away things that might be broken or end up in visitors' pockets," Duffy said.

Often, an agent expecting a lot of traffic at an open house will bring another agent or his or her personal assistant along to keep control of the situation.

Agents are always looking for ways to put new zest into older methods.

Frank McGuirk of Re/Max Gold in Media, Pa., has a "parade of homebuyers" who meet with him at a single location and travel from listing to listing in a particular area.

"It creates a sense of urgency among the buyers on the tour," he said. "They hear others talking about a particular house, and they get interested. I think it is an 'auction' effect, because it heightens interest in the same way bidding at an auction does."

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