

Lesson 1.16

Open House Rules

Lesson 1.16: Open House Rules

Lesson time: 3min 42sec.

Key Takeaways:

1. How to prepare for an open house.
2. What behaviour will put the agent off-side and what will help convince them that you're a serious buyer.
3. The basic questions to ask an agent.

Attending an open home is a critical opportunity to gather vital information about the property. But you've got to play your cards right and not give away too much information in return. Revealing too much to an agent, or giving away your emotional interest in a property, can show your inexperience in "the game" and that marks you. Often you'll end up either overpaying or being dismissed by the agent as someone who is not a "real buyer".

So, how to straddle the fine line?

Firstly, you do want to make it clear the property is of serious interest (assuming it is) but you don't want to announce to everyone in the room that this property is perfect and you absolutely must have it.

After years of experience in the real estate sales industry, we can say that this does happen more than you think and as a result really puts a bullseye target on that potential buyer. Those people who express their love or desire for the property to the sales agent are known to pay an emotional premium without a second thought.

On the other hand, there were also a lot of people that were too dispassionate about the opportunity to buy the property. They would say they loved the property, but would then fail to call us back and generally disappear. Those were the people you remembered as an agent the next time you saw them arrive at an open home and they certainly weren't on your speed dial when off market opportunities arrived.

An open home is not a time to be extreme. Instead, take your time, ask the right questions and be clear about communicating your interest while also making it clear that you know there will be more opportunities if this one doesn't pan out.

The best questions to ask really depend on the property and circumstance. I'll always work with Hello Haus clients to structure a list of questions, but in general the question set will include:

- Why is the owner selling and what is the motivation? For example; has the owner bought elsewhere and needs to sell?
- Is there any work required to the property that you or the owner are aware of (agents have a duty to disclose material facts about a property, so they must answer this honestly)?
- Any previous DA approvals for work not undertaken? You want to know this so you know if there is any future upside that was planned or can be taken advantage of so that the property is more appealing or worth more later?

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- Are there any known plans from neighbours or issues in the surrounding neighbourhood we should be aware of? For example, are there any new developments, changes to traffic flow, major renovations planned? This is a particularly pertinent question to ask if it looks like a lot of people in the area are selling. Where there's smoke, there's fire and the cause of the fire is worth knowing.
- Is your owner ready to sell today if an appropriate offer was made? This is a good question to ask because if the answer is "no," and they're looking to drag this process out, your negotiation strategy can change.
- What will they sell at today? You should ask this question and then shut up and wait for the reply, because this is the moment where you will determine if an agent is being straight with you or lying. It's also critical information to gather.

You want the agent to walk away from this interaction with a sense that you're a serious buyer and that you know what you're talking about. Those are the buyers that they'll see as a genuine opportunity, and, provided you return their follow-up calls and be responsive, even if you don't get this property, they'll keep you in mind for the next one.

Key Reminders

Leave your emotions at home, we encourage you to do this in order to take better control of your actions and decisions when inspecting a property. Instead, come armed with a list of questions that will help you in making the right decision, there is an art form to seeking answers and you are better served with it being conversational rather than a rapid fire Q&A. Remember, emotional buyers pay a 5-10% premium and more than a property is worth.

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