

OPEN HOMES #4: How open homes reduce your agent's negotiating power

by Adam Smith

Negotiation is probably the most important part of any real estate transaction. If your agent is a trained professional, they'll be able to negotiate the optimum sale price for the seller, while ensuring the buyer is delighted with their purchase. To be [successful in negotiation](#) though, your agent first needs to build rapport with the buyer – and that takes time!



Why is rapport so important in negotiation? Well, when it comes to negotiating the sale, the buyer has to feel the agent understands their needs and limitations, and is working with them to get the best outcome. When the buyer trusts the agent, they are much more likely to work collaboratively to get a result.

Of course, this begs the question... When a buyer's only interaction with an agent is a fleeting introduction at an open home, how can the agent claim to have built up a strong rapport.

The simple answer is that they can't. At a typical open home, the agent is greeting multiple parties at the same time, answering questions and trying to ensure they've taken down as many people's details as possible. They have no way to easily discern which are the real buyers with the correct budget and who are just the 'lookers' – the tyre kickers and neighbours.

It's not surprising then that open homes provide no opportunity for an agent to build rapport with buyers. And that's why we believe open homes are, in fact, detrimental to the process of negotiating a strong sale price for your home. It's also why Iron Bridge conducts viewings by appointment only.

A set appointment gives our agent the chance to properly understand the buyers' requirements from the initial phone call, then get to meet each prospective buyer at the property, and start to build rapport with them – an opportunity worth its weight in gold when it comes to negotiating.

Another factor to consider when it comes to the impact of open homes on sale price is that many agents use the feedback they receive at open homes as a way to condition the seller's expectations.

Often an agent will secure the listing by quoting a lofty price to the vendors. They then rely on 'buyer feedback' gained through open homes to bring the vendor's price expectations back to reality. This type of behavior can be made even worse by some agents who use undesirable tactics like underquoting the home's value in advertising, so more people come through the open home.

An expert in marketing and negotiation will know that conducting viewings by appointment is a much more productive option than running open homes. They know it provides time to establish trust and rapport.

We know from experience that open homes are totally unnecessary for selling your home at the best price. Take a look at our other reasons why – [#1: Genuine buyers will come no matter what](#), [#2: Choose security, not risk](#), [#3: Promoting your property or your agent?](#)

If you want to know more about a smarter way to market your property, [give us a call anytime](#).