bayut

USE TRANSACTION INSIGHTS TO HOLD POWERFUL CONVERSATIONS

At **Bayut**, we prioritise the **3 P's:**

Portal osition   **P**hotos   **P**ricing

all of which impact how successful
your listings will ultimately be.

In this talk track, we walk you through an example of a difficult conversation that may occur around pricing a property. Clients want data-backed information, and agents who can offer this often stand out as knowledgeable and transparent because they use data and not opinion to drive their business.

Bayut's Sales Transaction Insights comes straight from the Dubai Land Department and is the best source for data-backed pricing information.

Let's take a look at a very common scenario involving sellers:

A client purchased an 863 sq ft apartment in 2018 in Princess Tower for AED 950,000. The property has had no renovations and the client says he wants to get what he paid for it. Savvy agents will take a look at recent transactions for similar properties in Profolio from the previous 6 months to prepare for any conversation they may have.

Transactions in Dubai Marina between

Date
Nov 01, 2020 - Apr 14, 2021

Date ↓	Transaction Type	Location ❓	Sale Price	Category ❓	Beds ❓	Area SQ.FT.	Source	
17 Mar 2021	Sale	Princess Tower ⓘ	AED 760,000	Apartment	1	923	DLD	Claim
9 Feb 2021	Sale	Princess Tower ⓘ	AED 715,000	Apartment	1	863	DLD	Claim
8 Feb 2021	Sale	Princess Tower ⓘ	AED 650,000	Apartment	1	862	DLD	Claim
14 Dec 2020	Sale	Princess Tower ⓘ	AED 700,000	Apartment	1	922	DLD	Claim
9 Dec 2020	Sale	Princess Tower ⓘ	AED 680,500	Apartment	1	861	DLD	Claim
8 Dec 2020	Sale	Princess Tower ⓘ	AED 660,000	Apartment	1	867	DLD	Claim
15 Nov 2020	Sale	Princess Tower ⓘ	AED 750,000	Apartment	1	922	DLD	Claim

Let's take a look at a possible conversation that may occur between an agent and seller:

Thank you for getting in touch with me. I am interested in helping you get your home sold for the highest price in the shortest amount of time. I am sure you have a price in mind for your property. Can you share that with me?

Well, I bought it in 2018 for AED 950,000 and want to get at least AED 800k for it.

Property prices in Dubai can fluctuate and I want to ensure your property is priced correctly in order to compete with other listings on the market today. There are currently eight listings for 1-bedroom apartments for sale on Bayut.com ranging in price from AED 714k to AED 800k. However, the best gauge for pricing property is to take a look at the last-sold properties in the same building from DLD. I went ahead and pulled a report, and would like to share the information with you.

Okay, that makes sense.

I have highlighted the units that are 1-bed and 1-bath and are 865 square feet, similar to your unit. Since December, four units have sold for AED 660k, AED 680K, AED650K and AED 715K. The transaction for AED 715k took place in early February and was on the 60th floor. Your apartment is on the 57th floor with the same view. I recommend pricing it in line with that specific unit.

I don't know, I would like to get as much out of the property as possible. I'd prefer to price it high and reduce it later if we have to.
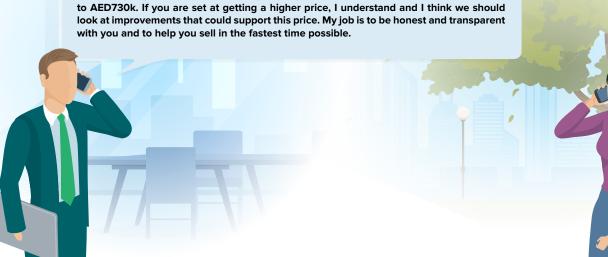
I understand that you want to get the best price for your property. All clients deserve this and pricing it properly from the start will help to achieve this result. Let me explain my logic here. When houses are priced too high, it actually helps drive offers to lower priced properties since they now appear to be really good deals. Buyers also do their homework and are often in the ballpark of realistic property values; they do not offer more when there are multiple properties available. Lastly, the first few weeks of marketing a property are critical as new listings garner the most attention. Ideally, we want to price a property so that it will sell within two weeks. Once a property is on the market for over a certain amount of time, it is viewed as stale and potential buyers may question if something is wrong with it.

Well, can't we just try for a week and see if we get offers?

I do understand as everyone wants to get the best price for a property, but in addition to what I mentioned, serious buyers set up search parameters. The current market value of your property is between AED 715k to AED720k. If we list it high, say AED 800K, it won't be seen by buyers who are realistically looking for properties that are between AED 680k to AED730k. If you are set at getting a higher price, I understand and I think we should look at improvements that could support this price. My job is to be honest and transparent with you and to help you sell in the fastest time possible.

Now let's compare this to another scenario:

> **Thank you for getting in touch with me. I am interested in helping you get your home sold for the highest price in the shortest amount of time. I am sure you have a price in mind for your property. Can you share that with me?**

> **Well, I bought it in 2018 for AED 950,000 and want to get at least AED 900k for it.**

> **Okay, we can definitely list it for that and see if it gets much interest.**

> **Well, what do you think the property is realistically worth?**

> **It's hard to know as prices vary depending on the floor and if it has been upgraded. But I can see there are two units currently advertised at AED 800,000 and AED 820,000. Let's advertise it at AED 950,000.If it doesn't sell or get a lot of calls, we can lower the price later. I also have another property listed at Princess Tower for AED 700,000, so I can try to push your property from that ad too.**

What is different about these two calls?

In the first call, the agent uses verifiable transactional data to provide the seller with information on the current trends in the market. The seller also listens to the client and acknowledges what the client is saying and feeling while responding with empathy. This agent appears to be knowledgeable and offers data-backed evidence for current market values.

In the second call, the agent is not using market data and does not sound knowledgeable when saying, "it's hard to know as prices vary." Additionally, agreeing to price high and lower does not instill nearly as much confidence as the first agent who sounds much more professional and knowledgeable.

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Clients are always seeking agents with the type of knowledge exhibited in the first call. Learn about how you can leverage Transactions Insights to engage in productive conversations with sellers by joining a session at ⓐ bayut academy! Visit us at bayut.com/academy.