

# When making decisions, rely on facts not feelings

With an uncertain market, inevitably comes risk. With risk, come difficult decisions. Yet, in making these, decision-makers too often rely on gut feeling as opposed to hard, solid facts.

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In this article we hear from three experts in the real estate technology sector, on the importance of navigating risk using facts, not gut feeling.

## Peter Bredthauer, CEO of PRODA

“With pressure to drive good returns, make sensible investments and ensure operational stability, real estate professionals spend a lot of their time evaluating risk. Weighing up the pros and cons of various decisions are a key part of working in the industry.

Decisions are often made using patchy or incomplete data. This ultimately triggers a chain reaction, where the failure or success of a property investment, depends largely on resorting to past experiences and gut feeling.

In doing so, professionals often ask themselves highly subjective questions in order to reach a decision, such as: ‘does this price feel right relative to the perceived risk and the projected returns? I’ll take a guess, because I was right last time, so I might be right again.’ Decision-making largely hinges on previous experience or guesswork.

No matter how experienced someone is, without the required information to

hand, and an ever-changing market environment, guesswork will always fail at some point – sometimes with serious consequences.

The irony is that it's not as though property data isn't available, because it is. Nowadays, real estate professionals track a lot of different data points. The problem is that those data points are often disparate, complex and hard to process. The key is to make data genuinely usable as part of the decision-making process, so that professionals are equipped with the information needed to make truly informed decisions, rather than relying on hunches."

## Marcus Ginn, CEO of Edozo

"When it comes to commercial valuation, valuers, agents and investors often think they know their market and all of its gradations inside-out – and to a great extent they do. However, with a volatile global economy and various new challenges facing the property sector, valuations are changing not only quickly, but radically.

Inevitably, with a shift towards unpredictability, demand for accurate, recent and relevant market data will skyrocket. This is because it is critical for decision-makers to avoid bad choices by making informed judgements on valuation, that don't merely rely on their best guess. No matter how experienced property professionals may be, the industry is changing at lightning speed and having a clear picture of what's happening and how that impacts your strategy and business is vital.

As an example, think of the immense value of having detailed occupier data and insights at your fingertips to keep you up to date on the movements of your competitors and the opportunities available to your own business. Seeing how the occupier market is performing and how you can invest in and manage assets more effectively is absolutely critical to success. Without that kind of information, competitors may be lightyears ahead, and your strategy may no longer be fit for purpose.

Certainly technology has a crucial part to play in collating data and empowering decision-making. Our platform, for example, exists to provide up-to-date market intelligence on areas including commercial property occupier churn and transactions. Harnessing this, agents and investors are better placed to mitigate risks when making high-pressure decisions."

# Sara Rafferty, Senior Director of Customer Success at NavigatorCRE

“As we progress in such an uncertain environment, market leaders are shifting from instinct-driven decisions to data-backed short- and long-term strategies. The transition to becoming a data-driven organisation doesn’t happen overnight. It can often seem like an insurmountable task. With many of our clients, we have found that starting with datasets directly tied to profitability creates an ideal situation.

One of the ways we ensure success is to work through specific use-cases tied to profitability with the datasets behind the scenes. This approach, combined with our platform, results in a comprehensive analysis that drives quick decision making, accelerates user adoption and ensures success.

Our clients don’t get frustrated with ever-changing markets because they know how to navigate them by leveraging their data rather than relying on gut feelings. It is hard to dismiss the facts when you have accurate insights looking right at you.”

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