

CASE STUDY

LaSalle optimizes real estate valuation process, saves days of work per quarter

LaSalle Investment Management implements ARGUS ValueInsight to bring together cutting edge valuation management technology and industry expertise

Client profile

Company: LaSalle Investment Management

Business HQ: Chicago, Illinois United States

Regions of operation: Operates in 15 countries across the Americas, Europe and Asia Pacific

Solution used: Altus Valuation Management

Expertise and advanced data to streamline valuation processes, deliver unique performance insights, and exceed the valuation independence and transparency requirements of sophisticated investors and their regulators.

they needed a solution that could help standardize the data being received from the various appraisal sources to ensure the valuations are accurate on both individual assets, as well as portfolio assets.

The solution

Jorge saw an expert valuation analytics and workflow tool that could help solve all the issues they were facing with this new valuation process. “ARGUS ValueInsight stood out because it was able to deal with the operational problems, as well as the data components we needed,” said Jorge Paredes. “On top of that, it is also supported by the valuation management expertise at Altus Group. Their team’s knowledge of the industry and how it works made the choice to use ARGUS ValueInsight a no-brainer for us.”

Achieving auditor-grade tracking through a centralized valuation workflow

Excel and emails were proving to be a time consuming and overwhelming legacy process for LaSalle to keep track of all their valuations. With ARGUS ValueInsight, LaSalle immediately saw the benefits of the solutions’ streamlined workflow. Not only is all the valuation feedback from the various teams housed in one place, but it also tracked the various phases of the valuation by keeping a comprehensive log of what was done at each stage of the valuation and by which team—this makes valuation audits much easier. The workflow capabilities also helps to safeguard against the use of outdated valuations data by analysts, avoiding errors and increasing confidence in reports delivered to the investment committee. “This automatic tracking feature has been such a huge time saver for us compared to our previous, more manual valuation process,” says Jorge.

The challenge

When Jorge Paredes, Vice President and Valuation Manager first joined LaSalle, he was tasked with managing a new process for collecting valuation information across the company, as well as focusing on the existing processes for calculating, analyzing and reporting Americas Region performance to the LaSalle Investment Committee. This included reviewing the data and coordinating with various internal groups ranging from portfolio managers, asset managers, research team and more.

With an increase in parties providing input, he recognized the need for efficiency to ensure all feedback and various models were being tracked. In addition to these operational challenges, LaSalle was looking for more advanced data visibility to showcase the current status of their asset valuations and support the review process. Additionally, with over 80% of LaSalle’s appraisal data coming from external service providers,

Saving time and improving quality during valuation data extraction

The capability to extract data has dramatically changed how LaSalle pulls valuation results for additional analysis. Previously, each basic data extraction would take three to four days to complete, which sometimes resulted in outdated information. “Pulling the data was such an excruciating process, but it has been a complete turnaround with ARGUS ValueInsight,” says Jorge. “Not only are we saving an average of 12 days per quarter for data extraction, but it’s also providing us with more useful data. I haven’t seen another solution that’s this efficient at getting us this amount of data, at this quality.”

Driving better asset performance insights through powerful market benchmarking

The benchmarking feature has also helped uncover opportunities to improve asset performance. LaSalle’s analysts and asset managers can now easily measure assets against the market through Altus Group’s valuation data sets which comprises over 12,500 institutional properties, from more than 200 commercial real estate funds. “It has been very useful to be able to pull up market benchmarks, especially when we need to do a deep-dive into an asset to answer additional questions,” says Jorge.

Realizing faster turnaround and better consistency through seamless integration

An unexpected advantage LaSalle discovered after implementation was the seamless integration of ARGUS Enterprise models and the basic valuation metrics it quickly provides. This easy integration has been very helpful as ARGUS Enterprise is used by most of their clients and the internal and external property appraisers they rely on for their initial valuation data.

Accelerating solution adoption through intuitive user experience

The onboarding process was seamless for LaSalle. They leveraged Altus Group’s training team to help with the administrative set up, but “the user interface was so intuitive that our team didn’t need any training on the actual software,” according to Jorge. “Our analysts and portfolio managers were able to quickly start using the solution once it was implemented, making the process of adopting ARGUS ValueInsight quick and painless.”

The staff at Altus Group has become a day-to-day resource for LaSalle, helping to ensure that they get both the inputs and outputs they need to support their clients with the most accurate, timely, and consistent valuation data. “If something doesn’t look right, it’s nice to know Altus Group is there to help us troubleshoot any issues quickly and efficiently,” says Jorge.

The results

Always looking to innovate and provide their clients with the best, LaSalle has been on a valuation process improvement initiative and Altus Group has proven to be a great ally in their shift to a more data-driven approach. Since the implementation of ARGUS ValueInsight, the feedback from portfolio associates, portfolio managers and other groups throughout LaSalle has been incredibly positive at all levels.

The solution has retooled how data is extracted, saving weeks worth of time every quarter, allowing the team to refocus their efforts on other important tasks. It has also given them access to more quality data than ever before, increasing their ability to forecast and make accurate predictions on revenue and returns. The time saved, the high caliber data and the unique metrics ARGUS ValueInsight provides has made it a success with LaSalle, helping them to complete valuations much more efficiently and confidently than before.

“Once we had buy-in from the executive level that it was time to improve our data operations, we knew Altus Group was the right partner for us because they not only understand data and technology, but real estate,” says Jorge. “Getting ARGUS ValueInsight setup was a breeze because their team knew exactly what our needs were and the data points we were looking for as a real estate investment management firm.”

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