

CASE STUDY

External valuation management drives value for a closed-end fund's asset managers and investors

Efficiency, best practices, benchmarking, and streamlined reporting

Client profile

Company: Privately-owned real estate and development firm

Funds under engagement: 300 assets across multiple closed-end funds

Assets under engagement: >\$30 Billion

Solution used: Altus Valuation Management

Combines technology, analytics and expertise to streamline valuation processes, deliver unique performance insights, and exceed the valuation independence and transparency requirements of sophisticated investors

The challenge

As a household name for over 70 years, this privately owned real estate and development firm had grown to manage commercial real estate consisting of almost all property types, throughout the United States, across its multiple closed-end funds. Financial reporting and internal valuations were centralized at their headquarters, but, with different procedures being used across multiple teams, the firm's funds operated with incompatible deadlines and conflicting due dates. Relying on internal valuations required their asset and portfolio managers to spend extra time completing and reviewing quarter-end appraisals, which took their focus away from value-adding activities that focus on maximizing on their investments and building greater investor confidence.

Although their brand could attract investors, the firm was not meeting the evolving demands for independence and market-level analysis. They needed a way to scale effectively and deliver a sophisticated investor experience across its diverse portfolio.

The solution

The firm was seeking a valuation solution that increased efficiency and accuracy. They worked with Altus Group on a pilot project where Altus took over managing the valuations for two of their funds covering approximately 75 properties. This gave the client an opportunity to compare the results of having valuations managed externally against their current process. It was immediately clear to the client that working with Altus allowed their asset and portfolio managers to deliver a more efficient appraisal process, whilst receiving greater market insight and analytics as a result. Within the first two quarters, more funds were transitioned to Altus.

The results

Since the pilot, the client has shifted to a completely external process with Altus now managing the valuations for over 300 assets across more than 10 closed-end funds. The client's asset and portfolio managers have the data driven insights, expert support and technology they need to grow their business, improve their investors' experience, and streamline their engagements with their auditors and fund consultants. It's allowed their internal staff to focus on what matters most, optimizing fund performance.

Want results like these?

Contact a representative to see how Altus Valuation Management can help you improve your valuation processes and strategic decision-making.

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