

CASE STUDY

How valuation process improvements support long term goals

Client profile

Company: Private real estate investment firm

Funds under engagement: Core Fund (ODCE Fund)
Strategic Value Fund

Assets under engagement: \$10B

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 and their regulators.

The challenge

As a Los Angeles based private real estate investment firm grew and its portfolios became more complex, quarterly valuations required more time. The back-and-forth communication with the appraisers, waiting on information, and reviewing data was a manual process that needed standardization. Leadership realized they needed dedicated resources, both internally and externally, to focus on process improvements that would allow them to efficiently scale their valuations while ensuring an independent, transparent, and accurate process.

The solution

Several years ago, our client hired a head of valuations with a wealth of industry experience as well as familiarity with Altus Group. The new team lead quickly established portfolio modeling standards, reporting templates, and workflows utilizing existing in-place systems such as ARGUS Enterprise and ARGUS ValueInsight. Within just a few quarterly cycles the valuation process for their Open-Ended Fund was shortened by weeks and, as the teams continued to collaborate, the dynamic introduced more value add, further strengthening the process.

The results

Over the dozen years of working together, the quarterly review has been shortened by about half. Altus Group was able to bring best practices to the internal process, which was followed a few years later with taking over external reviews and valuation management as well.

The head of valuations is a forward-thinking technophile who understands the value technology and data bring to the commercial real estate industry. Team led initiatives such as aggregating the portfolio's valuation data into a single platform has allowed for more data analytics and, specifically, the ability for the firm to run apples-to-apples comparisons of various datasets. In addition, the onboarding and collaboration with other third-party vendors (auditors, appraisers, consultants, and fund administrators) has been made simple thanks to the organized structure built by the client and Altus Group.

As the funds kick off quarterly valuation cycles, information requests and requirements are timely and transparent, with everything flowing through ARGUS ValueInsight. Back testing analyses for single assets and cross portfolio visibility are made possible now that the data is consistent over time-periods and markets.

The growth desired by our client has been achieved with assets managed by Altus Group climbing from under \$4 Billion in 2013, to well over \$10 Billion. Today, our client runs an efficient internal valuation team, but alongside Altus they have been able to foster a transparent and timely valuation process to meet their changing needs.



“Working together and sharing process improvement ideas has resulted in cost savings and a higher quality analysis for our clients.”

- Head of Valuations

Want results like these?

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

altusgroup.com/altus-valuation