

COLLATERAL ANALYTICS LAUNCHES A NEW COMMERCIAL AUTOMATED VALUATION MODEL

CA Commercial AVM will assist lenders with portfolio valuations, underwriting and more

HONOLULU, March 5, 2019 – Collateral Analytics has developed a new automated valuation model (AVM) solution to assist lenders with monitoring commercial property values and provide access to quick, accurate and inexpensive valuations for commercial real estate.

There has been a significant improvement in the accuracy and geographical coverage of Residential AVMs in the past 10 years as new data sources and advances in modeling techniques have evolved. Many residential markets are easy to appraise based on homogeneity and frequent transactions. More heterogeneous real estate markets are more difficult for both appraisers and AVMs to value but the greater availability of more robust quantitative and qualitative data in recent years has led to increased accuracy here as well.

The commercial real estate market generally falls into the more heterogeneous category which is one of the reasons why no one has successfully launched a commercial AVM to date. Furthermore, in contrast to residential properties, commercial property values are much more dependent on the rental rates and terms of the underlying tenant leases.

"The Collateral Analytics Commercial AVM was created to address a burgeoning need for monitoring property values, not just for mortgage loans but for estimating and updating total return estimates. The need for speed and efficiency for property values, in general, suggest a new Commercial AVM should be well received in the marketplace," says Michael Sklarz, President and CEO of Collateral Analytics, a leading provider of comprehensive automated valuation solutions and real estate analytic products for lenders and the financial services industry.

Corporations can use the CA Commercial AVM to quickly update property values, which are tracked using "book values" on most financial statements and consists of, cost less depreciation which is never correlated with reality. Investors can update portfolios of properties quickly and with just as much accuracy in aggregate as with the slower and expensive manual appraisal processes. Collateral Analytics is leveraging its significant experience with residential property valuations and in-house expertise working with commercial properties. In particular, Collateral Analytics utilizes its broad data experience, leading-edge analytic techniques, and website platforms to continuously improve the new Commercial AVM.

For more information about Collateral Analytics and its comprehensive real estate and mortgage analytic solutions, visit collateralanalytics.com.

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ABOUT COLLATERAL ANALYTICS

Collateral Analytics (CA) develops analytic products and tools to support financial institutions, investment banks, appraisers, real estate brokers, and real property capital market activities. Founded by Dr. Michael Sklarz, CA empowers its clients and business partners through cutting-edge technological innovation that provides greater and faster access to reliable information which real estate professionals need to make critical decisions. CA is committed to building and delivering the most advanced and innovative AVM models, premiere collateral and mortgage risk tools and related products which incorporate CA's proprietary and sophisticated analytics with a wide range of real estate and mortgage related databases. Visit: collateralanalytics.com

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