

# REAL ESTATE VALUATIONS AN ENHANCED APPROACH

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## INTRODUCTION

In the commercial real estate industry, the ultimate goal is to maximize asset value. Understanding what an asset is worth and why so that you can determine where best to invest your time and money is key to optimal asset management. Conventional valuation methodologies take actual leasing information and add on a set of guesses about what will happen over a 10-year time frame in an attempt to pinpoint a single valuation number. At Hipercept, we have found that even the “actual” leasing information is often not accurate, making the guesses that follow even less reliable. Given that the existing approach for valuing a real estate asset may lead to material inaccuracies an enhanced approach should, at minimum, be considered.







