

Community housing provider reduces valuation time and cost using artificial intelligence

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Common Equity Housing Limited (CEHL) plays a vital role in helping low-income residents secure stable, affordable housing. When it needed to collate valuations for its property portfolio, CEHL found a better way to complete the long process.

As a nonprofit housing association, CEHL partners with member housing co-operatives to deliver an effective, sustainable and member-led co-operative housing program. For tenants, CEHL provides housing security with affordable, income-based rents and sliding-scale discounts for those most in need.

To deliver on its mission, CEHL holds a portfolio of more than 2,200 properties, each managed and operated by its members. Each tenant pays a percentage of his or her income as rent—an amount less than or equal to market rent. A key role for CEHL's finance team is to collate market rental valuations for its properties to facilitate the calculation of income-based rents. The process was manual, and required external valuation agents.

CEHL turned to [JLL](#) to make it easier to assess and value its properties to support rent calculations. JLL proposed augmenting CEHL's external valuation program with Valorem, a digital valuation and risk management platform that could serve as an indexation tool. With built-in data and analytics capabilities, Valorem could provide automated, timely, on-demand assessments of capital value and market rents. Also important, Valorem's analytics are based on a data set far more extensive than what CEHL's team could access manually.

Since CEHL would be the first community housing provider to adopt Valorem as an in-house tool, the valuation team first needed to secure the buy-in of CEHL's auditors. Through presentations to CEHL and its auditors, as well as to the community housing providers association, JLL demonstrated that Valorem delivers a state of the art, reliable and standardised indexation methodology that would meet strenuous regulatory reporting requirements.

Through a consultative collaboration, CEHL and JLL navigated a journey of trials and testing initial small-scale applications of Valorem. In addition, the Valorem team trained and onboarded CEHL's finance team to adopt the platform.

Today, CEHL uses the Valorem platform alongside its external valuation program to access up-to-date market information throughout the year. In addition, the platform allows CEHL to calculate the indexed capital value of its portfolio of investment property assets. With the advantage of Valorem's standardised indexation methodology and automated processes, CEHL auditors have been able to significantly reduce the time needed for validating the data models.

Looking ahead, CEHL anticipates additional opportunities to leverage the Valorem platform to manage its valuations and provide up-to-date estimates of CEHL's property rents and capital value. Most important, the cost savings achieved by streamlining valuations enable CEHL to devote more resources to empowering low-income people with safe, stable and affordable housing