Altus Group CRE Innovation Report Reveals Commercial Real Estate Firms Must Accelerate Investment in Technology Innovation to Reduce Risk of Losing Competitive Position

Data silos and widespread use of spreadsheets within CRE industry poses real threat, trillions of dollars of assets managed manually

TORONTO (September 29, 2015) – Altus Group Limited ("Altus Group") (TSX: AIF), a leading provider of commercial real estate services, software and data solutions, and ARGUS Software Inc. ("ARGUS"), a subsidiary of Altus Group, today released the Altus Group CRE Innovation Report revealing commercial real estate ("CRE") firms need to speed up investment in technology innovation to efficiently capture and manage increasing levels of capital allocation to the industry.

According to the report, which is based on a survey of over 300 international CRE executives, nearly one-third of the global CRE industry is still using spreadsheets as its primary tool for asset and portfolio management functions. This means potentially $11 trillion dollars of assets are currently managed in manual spreadsheets, with all their inherent risk of inaccuracies and human error.

In addition, the report also reveals that three quarters of the CRE industry is managing its portfolios in ‘data silos.’ This unconnected approach to managing information and assets, which often requires cumbersome data aggregation from multiple sources, can significantly hamper the timely data-driven decision-making and reporting transparency that investors are increasingly demanding. Without modern data management infrastructure and systems, investors could judge the industry participants as ‘behind-the-curve,’ threatening their ability to attract trillions of dollars of additional institutional capital predicted to be allocated to the CRE industry in the next decade.

“It’s clear that commercial real estate has a huge opportunity to boost productivity, unleash added innovation and increase profitability by investing in new IT and data-infrastructure solutions,” said Bob Courteau, Chief Executive Officer, Altus Group. “With so much institutional capital up for grabs over the next decade, early movers in adopting best-in-class data management and reporting practices have a real opportunity to differentiate themselves from the technology ‘have-nots’.”

The report also highlighted that CRE is under investing in information technology compared to other industries. Taking the relative size of each industry into account, global CRE IT spend, as a percentage of revenue, is estimated at approximately 50% less than Financial Services and the Public Sector (including Healthcare).

The findings of the report also indicate that while the CRE industry still has some way to go in creating an infrastructure that allows for greater data-driven innovation, industry leaders recognize the transformative impact of technology. More than two thirds of the firms surveyed say they would realize a significant impact on investment returns by improving their asset and portfolio management decision-making effectiveness. Additionally, 77% of the firms surveyed say they are prioritizing investment in technology and process improvement to support their asset and portfolio decision making.
Other findings from the *Altus Group CRE Innovation Report* include:

- The risk of not using an integrated software solution is that the process of aggregating data from multiple sources is slow, so top-level data used to make strategic investment decisions is often not timely.
- Data veracity is the largest impediment to companies using more data to drive asset and investment decisions.
- More data or additional metrics are needed to benchmark performance against the market.
- A large majority of those surveyed think that cloud-based and “Big Data” technologies have the potential to transform the CRE industry.

The *Altus Group CRE Innovation Report* is based on results from a global quantitative survey of 320 CRE C-level and senior executives in front and back office positions at owner operator and owner investor firms, in North America, Europe, Asia Pacific, and Latin America. All firms represented in the survey had assets under management (AUM) ranging from at least US$100 million to over US$125 billion at the time of being surveyed, representing an approximate total AUM of over US$1 trillion. The survey research was conducted by IDC between May-June 2015. A copy of the full report can be downloaded at [www.argussoftware.com/innovation_report](http://www.argussoftware.com/innovation_report)

**About ARGUS Software Inc.**

ARGUS Software®, a wholly owned subsidiary of Altus Group Limited, is the leading provider of software and solutions for analyzing and managing the value of real estate investments worldwide. ARGUS Software® has a global client base and has been dedicated to providing solutions to the commercial real estate industry for over 30 years. The ARGUS Software® portfolio includes industry-standard products, including ARGUS Enterprise® - the most open and integrated platform for valuation, budgeting and asset management solutions.

**About Altus Group Limited**

Altus Group Limited is a leading provider of independent advisory services, software, and data solutions to the global commercial real estate industry. All of our five core practices – Research, Valuation and Advisory, ARGUS Software, Property Tax Consulting, Cost Consulting and Project Management, and Geomatics – embody and reflect decades of experience, a broad range of expertise, and leading edge technology. Our offerings empower clients to analyze, gain insight and recognize value on their real estate investments. Headquartered in Canada, we have approximately 2,400 employees around the world, with operations in North America, Europe and Asia Pacific. Our clients include some of the world’s largest real estate industry participants, spread across a broad variety of sectors.

We are focused on creating sustainable shareholder value that generates long-term returns by targeting organic and accretive growth while providing quarterly dividend payments of $0.15 per share. Our securities are traded on the TSX under the symbols AIF and AIF.DB.A.

For more information, please visit [www.altusgroup.com](http://www.altusgroup.com)
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