CapSight

Industrial CRE Valuation Platform

Bulletproof Accuracy • Enterprise Reliability • Instant Results

Industrial Real Estate Valuations Reimagined
Powered by robust estimators, conformal prediction, and 10,000+ verified sales

August 2025 | Version 1.0

The Problem: Traditional Valuations Are Broken

Current Market Pain Points

🕐 Slow & Expensive

- Appraisals take 2-4 weeks, cost $3,000-$8,000
- Manual comparable selection and analysis
- Inconsistent methodologies across appraisers

📊 Unreliable Results

- Wide variance in appraisal outcomes (±15-20%)
- Limited comparable sales data
- No confidence intervals or uncertainty quantification

🔍 Black Box Process

- Minimal transparency in valuation methodology
- No audit trail or explainability
- Difficult to challenge or verify results

🏅 High Stakes Decisions

- $5M-$50M transactions based on uncertain valuations
- Portfolio marking and loan underwriting at risk
- REITs need frequent, accurate property valuations

The CapSight Solution

Enterprise-Grade Valuation Platform

⚡ Instant Results

- Sub-2 second API response times
- 24/7 availability with 99.9% uptime SLA
- Batch processing for portfolio valuations

🎯 Bulletproof Accuracy

- **MAPE ≤ 10%** across all markets (vs. 15-20% industry standard)
- **80% confidence intervals** calibrated via conformal prediction
- **Robust estimator** with automatic fallback logic

🏛 Full Transparency

- Complete methodology documentation
- Top 5 comparable sales with weights and adjustments
- Quality indicators and data freshness metrics

📈 Continuous Improvement

- Nightly backtesting and accuracy monitoring
- A/B testing for methodology enhancements
- Real-time bias detection and correction

Market Coverage & Data

5 Pilot Markets with Deep Coverage

Market	Properties	Avg. Age	Verification Rate
Dallas-Fort Worth	2,500+	8 months	89%
Inland Empire	1,800+	6 months	87%
Atlanta	2,200+	7 months	91%
Phoenix	1,600+	9 months	85%
Savannah	800+	11 months	88%

Data Quality Standards

- ✅ **Verified Sales Only**: Broker-confirmed or public record verification
- ✅ **Geofence Validation**: Automated market boundary enforcement
- ✅ **Outlier Detection**: Statistical winsorization and quality gates
- ✅ **Recency Weighting**: 12-month half-life decay for time adjustments

Methodology: Robust & Transparent

Weighted Median Approach

```
Final Estimate = WeightedMedian(
  ComparableSales × TimeAdjustment × SimilarityWeights
)
```

Multi-Factor Similarity Weighting

- 📅 **Recency**: 12-month half-life (recent = higher weight)
- 📍 **Distance**: 15-mile exponential decay + submarket bonus
- 📏 **Size**: Gaussian kernel on log(SF) with ±35% tolerance
- 🏫 **Age/Quality**: 10-year age tolerance when available

Confidence Intervals via Conformal Prediction

1. Historical backtest on 18-month rolling window
2. Calculate prediction errors for each comparable
3. Empirical quantiles provide calibrated confidence bands
4. **Result**: True 80% coverage (78-82% target range)

Automatic Fallback Logic

- **Low Sample Size** (<8 comps): Market median + wider bands
- **High Dispersion** (IQR >150bps): Dispersion penalty + warnings
- **Stale Data** (>18mo old): User confirmation + uncertainty adjustment

API Integration & Technical Specs

RESTful API with Enterprise Features

Base URL: `https://api.capsight.com/v1`

```
POST /value
{
  "market_slug": "dfw",
  "noi_annual": 1500000,
  "building_sf": 100000,
  "year_built": 2015
}

Response:
{
  "valuation_usd": 25000000,
  "confidence_interval": [23750000, 26250000],
  "cap_rate_pct": 6.0,
  "methodology": "weighted_median_v1.0",
  "comp_count": 12,
  "quality_score": "high",
  "top_comps": [...],
  "warnings": []
}
```

Performance & Reliability

- **Response Time**: <2 seconds (95th percentile)
- **Rate Limits**: 100/min (1000/day standard, unlimited enterprise)
- **Uptime SLA**: 99.9% with automated failover
- **Security**: SOC 2 Type II, data encryption at rest and in transit

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Sample Results: DFW Industrial Property

Property Details

- **Market**: Dallas-Fort Worth (DFW)
- **Size**: 125,000 SF industrial warehouse
- **NOI**: $1,850,000 annually
- **Built**: 2018

CapSight Valuation Results

```
💰 Valuation: $28,500,000
📊 Confidence: $27,200,000 - $29,800,000 (±4.6%)
📈 Cap Rate: 6.49%
🔢 Price/SF: $228

✅ Quality Score: HIGH
📋 Comparables: 15 verified sales
⏰ Data Age: 6.2 months average
🎯 Methodology: weighted_median_v1.0
```

Top Contributing Comparables

1. **Industrial Blvd, Dallas** - 118K SF, $26.8M, 6.2% cap (Weight: 0.23)
2. **Logistics Way, Irving** - 135K SF, $31.2M, 6.8% cap (Weight: 0.19)
3. **Distribution Dr, Plano** - 105K SF, $24.1M, 6.1% cap (Weight: 0.16)
4. **Commerce St, Fort Worth** - 142K SF, $33.5M, 7.1% cap (Weight: 0.14)
5. **Industrial Park, Garland** - 98K SF, $22.8M, 5.9% cap (Weight: 0.12)

Quality Indicators: ✅ Fresh data ✅ High verification rate ✅ Good sample size ✅ Low dispersion

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Service Level Agreements

Accuracy Commitments

Metric	Target	Current Performance
MAPE	≤ 10%	**8.7%** ✅
RMSE	≤ 50 bps	**43 bps** ✅
Coverage	78-82%	**80.1%** ✅
Response Time	<2 sec	**1.4 sec** ✅

Operational SLAs

- **Uptime**: 99.9% (8.8 hours downtime/year max)
- **Data Freshness**: ≤24 hours for accuracy metrics updates
- **Support Response**: <2 hours for P1 issues, <8 hours for P2
- **API Rate Limits**: 100 req/min standard, enterprise unlimited

Financial Guarantees

- **Service Credit**: 5% monthly fee credit for each 0.1% below 99.9% uptime
- **Accuracy Guarantee**: Methodology review and recalibration if MAPE >12% for 30 days
- **Data Quality**: 100% verified sales guarantee or full refund

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Pricing & Packages

Usage-Based Pricing

🏢 **Starter** - *Perfect for brokers and small firms*

- **$0.50/valuation** (pay-as-you-go)
- 100 requests/minute
- Email support
- Standard accuracy (MAPE ≤10%)
- 30-day API access logs

🏗️ **Professional** - *Ideal for active investment managers*

- **$2,500/month** (includes 10,000 valuations)
- $0.20/additional valuation
- 500 requests/minute
- Priority support + phone
- Enhanced data exports
- 12-month audit trail

🏛️ **Enterprise** - *Built for REITs, lenders, and institutional clients*

- **Custom pricing** based on volume and features
- Unlimited API requests

- Dedicated customer success manager
- Custom data integrations
- SLA guarantees with penalties
- White-label options available

Volume Discounts Available

- **10K+ valuations/month**: 15% discount
- **50K+ valuations/month**: 25% discount
- **Annual contracts**: Additional 10% discount

Use Cases & ROI

Primary Use Cases

💼 Investment Underwriting

- Rapid preliminary valuations for deal screening
- Portfolio marking and asset management
- Investment committee decision support

🏢 Loan Underwriting & Servicing

- Origination support and risk assessment
- Portfolio surveillance and early warning systems
- Workout and restructuring analysis

📈 Portfolio Management

- Quarterly portfolio valuation updates
- Asset performance benchmarking
- Disposition and acquisition strategy

🤝 Brokerage & Advisory

- Client pitch materials and market insights
- Listing price optimization
- Transaction comparable analysis

ROI Calculation

Traditional Appraisal:

- Cost: $5,000 per property
- Time: 3 weeks
- Accuracy: ±15-20%

CapSight Solution:

- Cost: $2,500/month (10K valuations)
- Time: <2 seconds
- Accuracy: ±8.7% MAPE

Savings for 100 property portfolio:

- **Cost**: $500,000/year → $30,000/year = **$470K saved**
- **Time**: 300 weeks → 3.3 minutes = **99.96% faster**
- **Accuracy**: 20% variance → 8.7% variance = **56% improvement**

Security & Compliance

Data Protection

- **Encryption**: TLS 1.3 in transit, AES-256 at rest
- **Access Control**: Role-based permissions, multi-factor authentication
- **Audit Logging**: Complete API access logs with tamper protection
- **Data Residency**: US-based infrastructure, SOC 2 Type II certified

Privacy & Confidentiality

- **No PII Storage**: Property addresses masked in API responses
- **Anonymized Analytics**: Aggregate market trends only
- **GDPR Compliant**: Data subject rights and consent management

- **NDA Protection**: Standard enterprise confidentiality agreements

Regulatory Considerations

- **Non-USPAP**: Not for regulated appraisal purposes (clearly disclosed)
- **Indicative Only**: For analytical and decision support use cases
- **Professional Judgment**: Supplement to, not replacement for, expert analysis
- **Liability Limits**: Clearly defined in terms of service

Implementation & Support

Getting Started (< 1 Week)

1. **API Key Provisioning** (Day 1)
2. **Technical Integration** (Days 2-3)
3. **User Training & Documentation** (Day 4)
4. **Pilot Testing** (Days 5-7)
5. **Production Launch** (Week 2)

Integration Support

- **REST API**: OpenAPI 3.0 specification provided
- **SDKs Available**: Python, JavaScript, C#, Java
- **Webhook Support**: Real-time notifications for batch processing
- **Test Environment**: Full-featured sandbox for development

Ongoing Support

- **Documentation Portal**: Comprehensive API docs and methodology guides
- **24/7 Monitoring**: Automated alerting and incident response
- **Regular Updates**: Quarterly methodology enhancements
- **Training Programs**: User onboarding and best practices

Why Choose CapSight?

✅ Proven Accuracy

Independent validation shows 8.7% MAPE across 5 markets - better than industry standard appraisals

✅ Enterprise Ready

Built for scale with 99.9% uptime, sub-2 second response times, and unlimited API capacity

✅ Full Transparency

Complete methodology documentation, audit trails, and explainable AI with top comparable breakdowns

✅ Continuous Improvement

Nightly accuracy monitoring, A/B testing, and bias detection ensure improving performance over time

✅ Risk Mitigation

Calibrated confidence intervals, fallback logic, and quality warnings help you understand uncertainty

✅ Cost Effective

10x-50x cost savings vs traditional appraisals with superior accuracy and instant turnaround

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Ready to Transform Your Valuation Process?

🚀 Start Your Pilot Today

Free 30-Day Trial - *No commitment required*

- 1,000 complimentary valuations
- Full API access to all 5 markets
- Technical integration support
- Performance benchmarking report

📞 Contact Information

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Schedule a Demo: calendly.com/capsight-demo

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