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Black Knight Introduces New CA Property Condition AVM to Provide More Accurate Valuations Based on Property Condition

- Black Knight's CA Property Condition automated valuation model (AVM) calculates estimated property values based on each of six property conditions, from excellent to very poor
- This new AVM's pricing models use residential sales data from Collateral Analytics that includes public records, MLS records and proprietary data
- Incorporating a property's condition into its value helps to provide even more accurate valuations and drive more informed business decisions
- The new AVM is available through direct website access to Black Knight Collateral Analytics, through an application programming interface (API) or through batch process

JACKSONVILLE, Fla. – July 15, 2020 – Black Knight, Inc. (NYSE:BKI) announced the launch of CA Property Condition AVM, a new automated valuation model (AVM) developed by Black Knight Collateral Analytics that factors in the condition of real estate properties to help determine more accurate property values.

Although property condition can have a significant influence on property value, it is not a widely used variable in automated pricing models because determining property conditions can be challenging. First, property condition is relative, and while property characteristic data may be available for a subject property, property condition data is not typically available. Second, property condition can be subjective, which may yield a wide range of values. Finally, the data is "noisy" – meaning much of the data cannot be understood or interpreted by user applications.

To develop the new AVM, the Black Knight Collateral Analytics used residential sales data that includes public records, Multiple Listing Service (MLS) records and proprietary data. This combined data produces hit rates – the percentage of properties valued by the AVM – of approximately 95%.

The millions of records contain typical physical attributes (living area in square feet, baths, bedrooms, etc.) and key indicators of property condition. Black Knight Collateral Analytics then normalizes the data for consistency in quality of information and to improve data reliability.

The CA Property Condition AVM uses this data to automatically calculate estimated property values based on the condition of the property. The new AVM uses proprietary and unique logic to return values for

six potential property conditions: excellent, very good, good, average, poor and very poor. This gives an indication of the value estimates for each of these property conditions.

In addition to providing more accurate values, the CA Property Condition AVM can help companies minimize physical property inspections and provide values when physical inspections aren't possible. While in most cases, AVMs reflect valuations of homes in average property condition, the new AVM can be used to determine values for properties in any condition.

The new CA Property Value Condition AVM is available through direct website access, through an application programming interface (API) or through batch process.

"Historically, AVMs have provided a somewhat one-dimensional picture of valuation by assuming the vast majority of properties are in average condition," said Mike Sklarz, EVP, Managing Director, Black Knight Collateral Analytics. "CA Property Condition AVM represents the next generation of AVMs by expanding the view of a property through more comprehensive, current data and improving the accuracy of property values by automatically taking property condition into consideration."

About Black Knight, Inc.

Black Knight (NYSE: BKI) is a leading provider of integrated software, data and analytics solutions that facilitate and automate many of the business processes across the homeownership lifecycle.

As a leading fintech, Black Knight is committed to being a premier business partner that clients rely on to achieve their strategic goals, realize greater success and better serve their customers by delivering best-in-class software, services and insights with a relentless commitment to excellence, innovation, integrity and leadership. For more information on Black Knight, please visit www.blackknightinc.com.

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