

**EDUCATION OF VALUERS  
IN FIG – What has been  
achieved and how the work will  
be continued**

Prof. Kauko Viitanen  
Joint Commissions 2&9 WG/WG 9.1  
Athens 25.05.2004

**Achievements**

- The WG was established in Pargue in May 2000
- The goals of the WG were presented in Seoul Working Week, 2001
- The first WG meeting was held in Seoul 10.05.2001. At present were seven persons
- In Washington 2002 were two sessions and Paris 2003 one - also many presentations supported the efforts of the WG

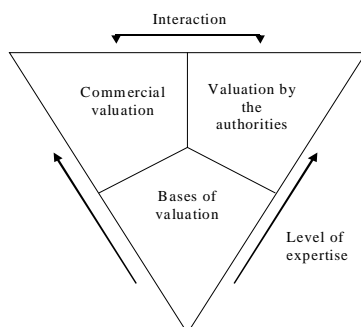
**GOALS FOR DEVELOPING REAL  
ESTATE VALUATION WITHIN FIG**

- promote the knowledge on real estate valuation and development of the valuation activities in the member countries and also in those countries still lacking advanced valuation systems.
- increase the exchange of knowledge and contacts between the members and member countries.
- familiarise the bases of valuation and compensation, e.g. in situations where land is readjusted or expropriated or the compensations are agreed voluntary.

**GOALS FOR DEVELOPING REAL  
ESTATE VALUATION WITHIN FIG**

- help authorities and decision-makers to adopt the necessary elementary knowledge for preparing and applying their national regulations and developing their systems for valuation and compensation.
- create an easy system for acquiring basic information of valuation for those who need it.
- Beneficiaries of the activities of FIG in valuation shall be distance learning students, individual surveyors, civil servants, politicians, landowners, employers, university teachers, etc.

Triangle of real estate valuation



**Some special aspects**

- It shall not be FIG's duty to create new valuation standards nor to arrange education for the commercial valuation sector because there are already now standards and active associations.
- But FIG should strive to an active interaction with organisations acting in valuation and making valuation standards.

## Present situation in valuation

- There are valuation standards on three levels
  - IVS (International Valuation Standards Committee)
  - EVS (TEGoVA), USPAP, RICS etc.
  - National Valuation Standards, e.g. RICS
- In addition, there are also IAS/IFRS
- The standards are mainly addressed for commercial valuations and for professionals

## Basic idea of the WG

- The idea is to create a network for the education on valuation in FIG.
- The education shall be based on the achievements of Commission 2 in continuous professional development and management.
- Thus the idea is to combine the ideas developed in Commission 2 with the needs and knowledge of valuation in the field.
- The goals shall be realised by computer assisted learning.

## Information accumulation

Source: prof. Henrik Haggrén

Level	Elements for information accumulation		
	Medium	Material	Competence
TEXTS	theory, algorithms	text books, manuals	undergraduates
TOOLS	procedures	software, hardware, instrumentation	bachelors
PROJECTS	data, specifications	documentation	masters
RESEARCH	knowledge, information	theses, publications	postgraduates (incl. post doctorates)

## The idea for the program

- Education on valuation through the FIG information network - Let the education move, not the people.
- Educational ladder. A system of gradual development shall be planned to improve the knowledge of valuation.
- An educational package of valuation should be created and offered on the FIG web site.
- Co-operation in education / a network for supporting the contact persons. A network of people from the universities, valuation associations, etc. shall be created in order to get support to solve and discuss further problems.

## PLAN TO REALIZE THE PROGRAM

- The way of working will mainly be virtual workshops and information delivery through the Internet.
- Specific projects in the WG shall be at least:
  - Establish an Internet forum for discussing the education on valuation.
  - Collect information and determine the terminology, basic theories, and basic methodology on valuation.
  - Create an educational package of valuation in co-operation with the WG 2.2 (Virtual academy - distance learning).
  - Establish contacts with the universities, valuation associations, etc. outside FIG.
  - Establish a web site with an educational package of valuation with hyperlinks to web sites for distance learning
- The information policy will be open.

## Agreed in Seoul

- The work of WG should be started from the TEXT-level i.e. from basic level
- The educational web site should be organised in the beginning by links to already existing web sites of real estate valuation, if possible
- The basic idea is that no one will be an expert in valuation only with this information
- Members of the WG collect and send information of suitable links – HAVE NOT HAPPENED
- Information between members will be changed by email – VERY FEW CONTACTS
- A web site for discussion will be organised later

## WORK PLAN 2002-2006 of Commission 9

- The Joint WG is organised under Commission 9 as WG 9.1 – Education of Valuation Professionals in FIG
- The focus has been broadened although the beneficiaries are still the same ones
- Four new tasks:
  - distribute Com 9 Syllabus Guidelines 1994
  - compile selected bibliography of the literature in the field
  - investigate possible academic links
  - sponsor symposia and technical papers on related topics

## WORK PLAN 2002-2006 of Commission 9

- Added new activities:
  - Expand communications to valuers worldwide through the commission home page
  - Through the internet and other means of communication, act as a clearing house for practical research, data base development, data searches and educational opportunities
  - Reach out to academia, both faculty and students, to encourage future research papers for presentation at FIG events
  - Interact with other FIG commissions, especially Com 1 – Professional Standards and Com 2 – Professional Education, in matters relating to valuation practices and protocols
  - Organize presentations of technical papers by practioners of interest to valuers as Com 9's contribution to FIG events

## To collect text

- This has been done almost only based on papers presented in FIG Working Weeks and Conferences

## Presentations in Seoul 2001

- Kauko Viitanen (Finland): Education of Valuers - Goals to Be Reached in FIG
- Stephen Yip (Hong Kong, China): The Emerging Valuation Profession in China
- Sangho Lee (Korea): The Changes of Korean Appraisal Market
- Michael Mürle (Germany): Assessment of the Market Value of Real Estate with Private Housebuilding Derived from the Summation Method of Valuation with Adjustment to Current Market Value
- Sangkyu Kim (Korea): Appraisal of the Land Inconsistent with the Cadastral Records

## Presentations in Nairobi 2001

- Gebhard Banko and Reinfried Mansberger (Austria): Assessment of "Non Monetary Values of Land" for Natural Resource Management Using Spatial Indicators

## Presentations in Washington D.C. 2002

- G. Michael Yovino-Young, USA: Chairman's Report: Commission 9 1998-2002
- Ian Wilson, Stuart Paris, Andrew Ware and David Jenkins, United Kingdom: Residential Price Forecasting at National and Regional Levels
- Frances Plimmer, United Kingdom, William McCluskey, New Zealand and Owen Connellan, United Kingdom: Property Taxation - Value Banding
- Simon Adcock, Australia: Managing Risks in Property Exposure via Valuations / Appraisal Assessment
- Raúl R. Barcelata, México: Commercial Values of Properties for Tax Purposes

- Steponas Deveikis and Arvydas Bagdonavicius, Lithuania: Towards an Efficient Property Markets in Lithuania - The Impact on Valuation
- Nick Nunnington and Dr. Tom Kennie, United Kingdom: Property Valuation & Management: In the eye of the tornado of change: A model of the major challenges facing the real estate profession
- Leonie Newnham, Simon Adcock and Jack Dunham, Australia: Valuation Best Practice Changing a Largely Paper Based System to a Fully Electronic Valuation System - The Victorian Experience
- Dr. Andrzej Hopfer and Lukasz Zuk, Poland: Methodological and Practical Aspects of Rural Land Market Assessment – the Polish Example

- Tony Vickers and Mark Thurstain-Goodwin, United Kingdom: Visualising Landvaluescape without a Cadastre
- Hülya Demir, Mehmet Gür and Volkan Cagdas, Turkey: Land Consolidation, Valuation and Cadastre
- Kauko Viitanen, Finland: Education of Valuers: Plans for the Coming Period - Working Group Report
- Alfred Bollinger, Switzerland: New Swiss Guidelines for Valuation of Agricultural Ground Include Ecological Values and Support Sustainable Development
- Tuomo Heinonen, Finland: Education of Valuers - Experiences in Developing Cambodia

- Henning Elmstrøm, Denmark: Valuation Legislation Purposes in Selected Countries
- Brian Waldy, United Kingdom: The Role of International Valuation Standards in the Provision of Funding for Development
- John A. Edge, Chairman-Elect and UK Representative to IVSC, United Kingdom: The Globalization of Real Estate Valuation
- Dr. Sarah Sayce, Owen Connellan and Dr. Frances Plimmer, United Kingdom: Global Standards for a Global Profession: Developing Understanding of 'Value in Use'
- Matthew S. Myers, Fiji: International Valuation Standards: Another form of imperialistic colonisation of lesser-developed countries?

- Kauko Viitanen, Finland: Just Compensation in Expropriation?
- Dieter Kertscher, Germany: On the Way to a Valuation GIS / Valuation Information System
- Eero Carlson, Finland: Kohonen Map, GIS and the Analysis of Real Estate Sales
- David Smejkal, Czech Republic: Market Appraisal of Real Estate in the Czech Republic via Software
- Vida Maliene, Arturas Kaklauskas and Edmundas Kazimieras Zavadskas, Lithuania: Application of a New Multiple Criteria Analysis Method in the Valuation of Property
- Jean-Louis Dargere, France: Valuation of Hotels in France

- Yaacoub Saade, Lebanon: The Real Estate Management in Lebanon and the Influence of the Urban Planning and Cadastre on the Valuation (not presented)
- Mehmet Gur, Volkan Cagdas and Hülya Demir, Turkey: A General Overview Real Estate Valuation Applications in Turkey
- Krzysztof Koreleski, Poland: Appraisal of the Environment and Social Values of Woodlands
- Timothy Eccles and Andrew Holt. United Kingdom: Accounting Versus Surveying: Value as a Professional Paradigm
- Gitonga Aritho, Kenya: Valuation Issues in Compensation and Resettlement Action Plans: The case of Kwale Titanium Minerals Project in Kenya

- Ruud M. Kathmann, The Netherlands: Valuation is Computerised: Market Analysis is Business
- Kaberere Ndungu, Mwenda Makathimo and Mary Kaaria, Kenya: The Challenges in Globalisation of Valuation Profession – Lessons from Nairobi Kenya
- Roundtable Discussion on the Role of Valuation Standards, Joint Session of FIG Commission 9 and International Valuation Standards Committee IVSC, Chair: Brian Waldy, FIG Commission 9, United Kingdom, Roundtable discussion on the international valuation standards with contributions from the World Bank, FIG, IVSC and the Appraisal Institute. Greg McNamara, Australia, Chair of the International Valuations Standards Committee IVSC

### **Presentations in Paris 2003**

- Frances Plimmer and Greg McGill (United Kingdom): Land Value Taxation: Betterment Taxation in England and the Potential for Change
- Saad S. Yahya (Kenya): The Valuation of Exotics. (not presented)
- Simon Adcock and Ed Young (Australia): Addressing Environmental Issues in Valuation / Appraisal Assessments
- Kauko Viitanen (Finland): Education of Valuers - Visual Explorations in Real Estate Market with Neural Networks
- David Smejkal (Czech Republic): Software Support for Valuers

- Ruud M. Kathmann (Netherlands): Mass Valuation in the Netherlands – From Fiscal Valuation to Multi-Purpose Valuation
- Medard Lucas Geho (Tanzania): Prospects of Applying Computer Aided Mass Valuation in Tanzania (not presented)
- Albina Aleksiene and Arvydas Bagdonavicius (Lithuania): Developing and Implementing Mass Appraisal System in Lithuania
- **Posters:**
- Dieter Kertscher (Germany): The German Digital Purchase Price Collection – Maintenance, Use, Results
- Simon Adcock (Australia): GIS & GPS Applications in Valuation / Appraisal Assessments

### **Presentations in Marrakech 2003**

- Volkan Cagdas, Mehmet Gür and Vildan Kurt (Turkey): Property Taxation and Land Management
- Frances Plimmer (United Kingdom): Cloud Cuckoo Land – An Overview of the Method of Valuation for Local Property Tax (Rates) in the United Kingdom
- Frances Plimmer and Nigel Dubben (United Kingdom): The Land of Make Believe: An Overview of the Assessment of Compensation for Land Taken on Compulsory Acquisition in the United Kingdom

### **Conclusions of presentations**

- Seoul 5, Nairobi 1, Washington D.C. 32+1, Paris 10, Marrakech 3 = over 50 presentations
- This is a rather big amount of material
- Problems
  - big variety
  - many rather detailed or country specific papers
- > A classification system needed
- > Do not create any logical wholeness
- > Cannot not serve as a basic learning environment but rather a library for post graduated and experts

### **Task 2**

- The educational web site should be organised
  - in the beginning by links to already existing web sites of real estate valuation,
  - if possible

### **Educational material on the web**

- Not easy to find: probably there is not many high-quality valuation materials on the web
- **IVS2003 – WWW.IVSC.ORG - THE BEST**
- New York University, Leonard N. Stern School of Business – Financing  
<http://pages.stern.nyu.edu/~adamodar/>
- Helsinki University of Technology - Finnish neural network studies “Visual Explorations in Real Estate Market” collected by Eero Carlson  
[http://www.hut.fi/Yksikot/Kiinteisto/julkaisut/verkko\\_julkaisut/carlson/index.html](http://www.hut.fi/Yksikot/Kiinteisto/julkaisut/verkko_julkaisut/carlson/index.html)
- other web material, but mainly rather brief or individual articles - are easily discovered by the modern sophisticated search engines, but **too much**

## Other tasks

- Establish an Internet forum for discussing the education on valuation. **A POSSIBILITY ON THE FIG WEB SITE EXISTS**
- Collect information and determine the terminology, basic theories, and basic methodology on valuation. **THERE IS A RATHER GOOD TERMINOLOGY ON THE IVSC WEB SITE**
- Create an educational package of valuation in co-operation with the WG 2.2 (Virtual academy - distance learning) **NOT DONE**

- Establish contacts with the universities, valuation associations, etc. outside FIG. **THERE ARE A LOT OF CONTACTS BUT NO WORKING NET**
- Distribute Com 9 Syllabus Guidelines 1994 ???
- Compile selected bibliography of the literature in the field **NOT DONE**
- Investigate possible academic links **OK?**
- Sponsor symposia and technical papers on related topics **OK?**

## Future views 1

- The final report will be given at the FIG Congress in Munich in 2006 when also the educational package of valuation should be available to be used on the FIG web site.
- In reality the most activities of WG will continue even after 2006.
- The information from Com 2 WG 2.2 Virtual Academy points out that also the work of it continues at least until 2006 and before that the material in Virtual Academy will mainly be experimental.

## Future views 2

- WG 2.2 also points out that it is obvious that a real distance learning environment cannot be developed by FIG without co-operation with educational experts (learning theory) and people from publication sector.
- This means that we should not only put the information on the web site but also present our information in a way which really helps learning.
- Hopefully we are able to create a working concept for testing the ideas of the WG 2.2.
- It seems possible to get an existing teaching material for our use in FIG – should we take it?

## How to continue?

- Any ideas, advices?
- Is there interest in an own workshop in this area?
- I invite all those interested in the Working Group to participate the activities!
- Only contact me: kauko.viitanen@hut.fi

Thank you!

- There is a need for
  - new ways for learning the basis of valuation
  - familiarising with the use of valuation reports
  - examples for best practises for compensation
  - enhancing surveyors' knowledge of the subjects valued and understanding of the principles of value formation