

Education System for Property Valuers in Poland

Krystyna CZARNECKA, Katarzyna SOBOLEWSKA and MIKULSKA, Wojciech WILKOWSKI, Poland

Keywords: education of property valuers, master and bachelor courses, studies, post-graduate studies, professional improvements

SUMMARY

The Polish Education System in property valuation is presented in the paper.

There are two ways of study:

- Regular, university bachelor and master degree courses, at the Faculty of Geodesy and Cartography, specialisation: “Cadastre and real estate management”,
- Post-graduate courses available for students with law, economy and technical science background.

The minimum curricula for both studies are specified by the Minister, who is competent in the field of real estate management issues.

All applicants for a license in property valuation must submit at least twelve months of practice and prepare 15 valuer reports. Finally, fulfilment of all requirements qualifies the candidate to apply for the government exam procedure.

Besides, legal regulations binding in Poland oblige property valuers to improve their professional qualifications. This process is reviewed within two-year periods.

Education System for Property Valuers in Poland

Krystyna CZARNECKA, Katarzyna SOBOLEWSKA and MIKULSKA, Wojciech WILKOWSKI, Poland

In general, the real estate market in Poland exists since the beginning of the 1990's. It appeared together with economic-and-social changes.

Efficient development of the real estate market was connected with creation of numerous, well qualified and competent professionals, who operate on this market.

It is clear that the group of those professionals are specialised in various way in particular countries, in accordance to their legal systems. This group includes: real estate experts (surveyors, appraisers, valuers, Sachverständiger), real estate agents (Immobilienmakler), administrators (Verwaltern), investors, developers and, besides consultants and advisors in real estate issues and notaries.

1. ESTABLISHING THE REAL ESTATE EXPERT PROFESSION

The first regulations, which were the basis for establishing the profession of the real estate expert, were specified in the legal act of May 17, 1989 – the geodetic and cartographic law. This act considered valuation of real estate as an independent function in the field of geodesy and cartography.

In order to perform operations in this field it was required to get professional authorisation. Such authorisation was issued by the Minister of Physical Management and Housing.

At that time, professional authorisation in the field of real estate valuation, might be obtained by individuals with the university degree or secondary education in the field of technology, economy or law, after completing post-graduate studies (this referred to individuals with university education) or specialised courses (this referred to individuals with secondary education in technology), in the field of real estate valuation.

Professional authorisation was issued by the Minister of Physical Management and Housing basing on results of qualification procedures, performed by the qualification Commissions for Professional Authorisation Issues. The fact of assigning professional authorisation was confirmed by a special certificate; refusal to assign that authorisation was the result of an administration decision of the Minister.

The Minister was responsible for establishment of the qualification Commission for Professional Authorisation Issues and maintained the central register of authorised experts.

2. CURRENT RULES OF AUTHORISATION IN THE FIELD OF REAL ESTATE EXPERTISE IN POLAND

The rules of development of the real estate expert profession, specified in Section 1, as well as related procedures, aimed at meeting the requirements resulting from the deficit of professionals in this sector and at consideration of demands of the real estate market developing in Poland.

In the following years the requirements concerning obtaining professional authorisation of real estate expert were highly strengthened.

In the current legal regulations (the Act of 2004) professional authorisation in the field of real estate valuation may be assigned to an individual, who meets the following criteria:

- 1) Has the university background in law, economy or technology,
- 2) Has completed post-graduate studies in the field of property valuation,
- 3) Has positively passed the qualification procedure, including the exam.

The obligation of completing post-graduate studies does not refer to those individuals who have university background in the field related to real estate management.

The act assumed the possibility to assign professional authorisation in the field of real estate valuation also to non-Polish citizens, under the condition that they meet all criteria and are fluent in Polish.

Moreover, in order to pass the qualification procedure specified in item 3 it is required that - the candidate gains professional experiences within practical activities, which last at least 12 months.

The candidate is obliged to perform those practical activities under supervision of an expert who performs professional duties for at least 5 years, without any interruptions.

The practical activities must cover 15 real estate valuation works, which specify values of the following items (the decree, 2004):

- 1) Two separate premises, which are separate real estate, using comparative methods, the comparison of pairs and the method of correcting the average price,
- 2) Two separate built-up real estates, using the comparative approach, the method of comparing pairs and the method of comparing the average price,
- 3) Two separate real estate, which generate or which might generate incomes, using the income-oriented approach, using the simple capitalisation technique and the technique of discounting income chains,
- 4) Two buildings or constructions, with the use of the cost-oriented approach, using two different techniques,
- 5) A land real estate, in order to update the annual fee resulting from perpetual usufruct of this real estate,
- 6) Two land real estates, one of which is used as for arable purposes and the other one is used as a forest,
- 7) Two land real estates, using the mixed approach and the methods of costs of liquidation and the residual technique,
- 8) A land real estate in order to calculate the betterment,
- 9) Selected, limited material rights.

2.1. Qualification procedure

The qualification procedure is performed by qualification teams, consisting of members of the State Qualification Committee, nominated by the Minister responsible for building, physical management and housing (the act of 2004).

This procedure consists of two stages and includes „the preliminary stage” where the Commission states whether the candidate meets all requirements to take the examination. Those requirements are specified in section 2.

The second stage of the qualification procedure consists of an examination, which covers the written and oral parts. During that exam the Commission tests theoretical and practical abilities of the candidate to perform professional duties in the field of real estate valuation (the decree, 2004).

The written examination consists of a multiple-choice test of 90 questions and of a practical task.

The examination lasts 135 minutes, including 90 minutes for the test and 45 minutes for practical task. Between two parts a 20-minute break is organised.

The oral part of the examination is available for those candidates who gained at least 70 points in the written part, out of the maximum 100 points.

This requirement is considered as met if the candidate gained at least 65 points for the test part and at least 5 points for solution of the practical task.

The oral part of the examination consists of discussion of three valuation reports selected by the Commission out of 15 available sets. The candidate must answer the questions asked by the members of the Commission. Those questions concern legal bases, approaches, methods and techniques of real estate valuation applied in the reports, sources of information, as well as analysis of the real estate market, which may influence the results of valuation.

Each answer is evaluated according to the 4-digit scale, between 0 and 3 points.

For each correct answer the candidate may get 3 points, as the maximum.

The oral part of the examination is considered as passed, if the candidate gets 60% of the total sum of available points.

The candidate who failed to pass the oral part, may – within 12 months since the date of completion of the oral part – submit an application and re-take the oral part of the examination. For example, figure 1 presents results of examinations for real estate experts in 2005.

CANDIDATES FOR REAL ESTATE EXPERTS

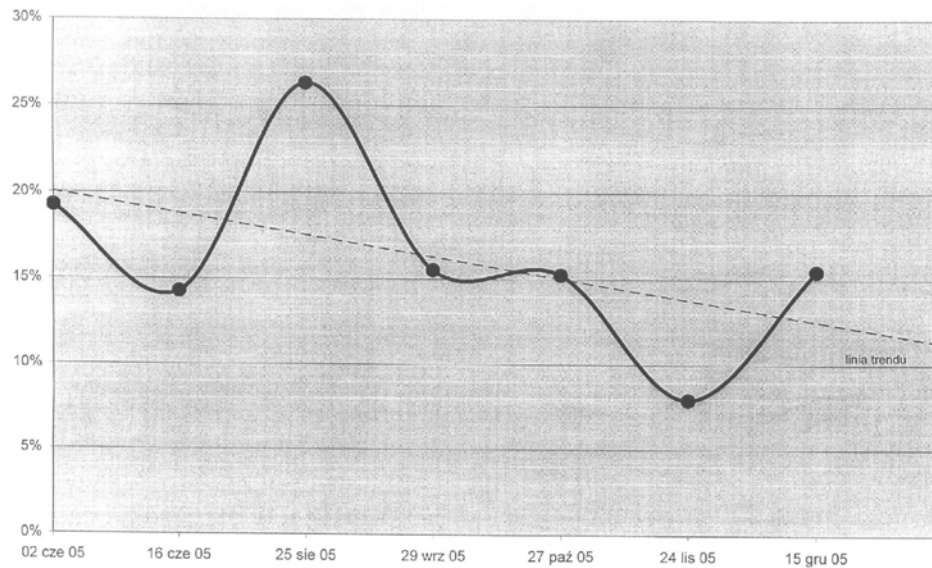


Figure 1. Total number of individuals who passed qualification procedure in 2005.

3. CURRICULA OF POST-GRADUATE STUDIES IN REAL ESTATE VALUATION

The post-graduate studies in real estate valuation are performed by universities, which educate students at faculties of law, economy and technical science.

The act on real estate management obliges the Minister responsible for building and physical management to develop the minimum curriculum requirements concerning post-graduate studies in the field of real estate valuation (an official announcement of 2004).

According to the specified announcement, universities which maintain studies in real estate market may exceed the discussed minimum requirements in some thematic groups.

In general, curricula of the post-graduate studies cover two semesters of 250 hours of lectures and practical sessions.

Thematic groups are configured in the following way:

- 1) Legal issues: material rights, civil law, administrative law (10.7 % of all subjects),
- 2) Economic issues: principles of economy, real estate markets, real estate values, elements of statistics and econometrics, economic efficiency of investments (14.5 % of all subjects),
- 3) Economic and legal issues: real estate management, housing management, forms of real estate property (10.7 % of all subjects),
- 4) Economic and financial issues: elements of finance and banking, elements of accounting (3.4 % of all subjects),
- 5) Basic knowledge related to the real estate market: physical planning, building industry, agriculture, forestry, water management (13.2 % of all subjects),
- 6) Sources of information on real estate, including cadastre, real estate registers, geographic information systems, thematic maps etc (3.4 % of all subjects),

- 7) Methodology of real estate valuation: utilisation of various approaches, methods and techniques, rules of development of real estate documentation (12.3 % of all subjects),
- 8) Rules concerning valuation of particular types of real estates; urban, arable and special real estates, machinery and installations, valuation of business entities (22.3 % of all subjects),
- 9) General issues: consulting on the real estate market, agency in real estate sales, real estate management, rules concerning real estate valuation in the European Union member states (9.5 % of all subjects).

In practice, all universities, which maintain post-graduate studies in the field of real estate valuation, are obliged to obey the minimum curricula, which have been specified by the minister responsible for building and physical management issues. The university which maintain post-graduate studies may enlarge those curricula to the extent, considered as appropriate by that university.

Differences in curricula of post-graduate studies at various universities concern:

- 1) The level of increase the number of hours of studies with respect to the minimum required numbers,
- 2) Applied requirements concerning completion of studies and getting diplomas.

All universities respect the rule that the positive result of the final examination is required condition of completing the studies.

Scopes and requirements concerning conditions related to those examinations vary at various universities. In general, this examination consists of solution of a specified number of tests, following the multiple choice tests. Those tests cover issues mentioned in items 1-9 of the study curricula.

The number of questions and assumed scales of evaluation vary between universities.

Example criteria concerning the requirements of getting certificates, which confirm completion of post-graduate studies „Real Estate Valuation” at the Warsaw University of Technology – the Faculty of Geodesy and Cartography are specified below.

4. CRITERIA WHICH MUST BE MET BEFORE GETTING THE DIPLOMA OF COMPLETION OF POST-GRADUATE STUDIES „REAL ESTATE VALUATION” AT THE FACULTY OF GEODESY AND CARTOGRAPHY, WARSAW UNIVERSITY OF TECHNOLOGY.

The post-graduate studies in the field of „Real Estate Valuation” are conducted by the Institute of Applied Geodesy at the Faculty of Geodesy and Cartography, Warsaw University of Technology.

Those studies have been conducted since 1991 and they consist of 1 year (2 semesters) of education.

In the course of studies students obtain educational materials, as an amendment of lectures and practical sessions.

Lectures are commenced at the beginning of an academic year (in October) and last until June of the successive year. In June students make decisions concerning topics of their diplomas, which are prepared under the professor’s supervision in July and August.

In September the discussion of diplomas takes place. If its results are positive, the students may take the final examination.

The final examination consists of:

- a) Solution of a multiple-choice test, consisting of 90 questions, within 90 minutes. In this part the student must get at least 50 point out of the maximum of 90 point.
- Solution of a practical task within 45 minutes. In this part the student must get at least 5 points out of the maximum of 10 points.

The following scale of marks on the certificate is applied:

- The satisfactory mark for getting between 55 and 69 points as the total for both parts,
- The good mark for getting between 70 and 80 points as the total for both parts,
- The very good mark for getting between 81 and 100 points as the total for both parts.

The certificate of completion of post-graduate studies “Real Estate Valuation” contains information concerning the final scope and the list of subjects and hours of completed studies.

Since the year 1991, 2200 graduates of have completed the post-graduate studies in Real Estate Valuation conducted by the Institute of Applied Geodesy of the Faculty of Geodesy and Cartography.

5. STUDIES OF SPECIALISATION RELATED TO REAL ESTATE MANAGEMENT

Graduates of the studies, which are related to real estate management may apply for professional authorisation in the field of real estate valuation.

Those graduates are released from attending and completion of post-graduate studies in the field of real estate valuation.

Only three state universities and one private university in Poland conduct studies related to the real estate management.

One of those three universities is Warsaw University of Technology . In this case the status of completion of studies related to real estate management is achieved by graduates of the Faculty of Geodesy and Cartography who complete the studies of the 2nd level (the master degree) at the specialisation of „Cadastre and real estate management”.

After completing studies of the 1st level („engineer”) the students of the Faculty of Geodesy and Cartography may commence the studies of the 2nd level (the master degree) and select one of the following specialisations:

- 1) Photogrammetry and remote sensing
- 2) Geodesy and satellite navigation
- 3) Engineering-and-industrial geodesy
- 4) Cadastre and real estate management
- 5) Cartography and geographic information systems
- 6) Geographic information systems

After completing the studies those students who select the specialisation of „**Cadastre and real estate management**” achieve the status of completing studies related to real estate management.

The curriculum of daily studies of the specialisation „Cadastre and real estate management” is considerably wider than the curricula of post-graduate studies with respect to issues concerning law, cadastre, land registers, physical planning, geographic information systems, methodology of real estate valuation with consideration of many types of real estates (built-up, arable, forest) etc..

On the Polish labour market high demands for experts in those fields exist; even for such experts who have not completed their studies yet. Examples of such demands are job offers, submitted by international companies to students.

JOB Possibility

CB Richard Ellis Polska Ltd., the leading international Company dealing with consultancy and agency in real estate market is searching for a candidate for the position:

ASSISTANT AT THE REAL ESTATE VALUATION SECTION

The candidate's profile:

Student of 4/5 year

Fluent knowledge of written and spoken English

Completed education related to real estate issues

Very good knowledge of MS Word, Excel, Internet Explorer

Abilities to operate office equipment

Post-graduate studies in the field of real estate valuation would be an asset

Scope of duties:

Participation in development of reports, market analyses, review of lease contracts

Availability: 20 hours per week, as the minimum

Interested candidates should send their CVs in English to:
aneta.mandziuk@cbre.com



GRADUATE TRAINEE OPPORTUNITIES

King Sturge, one of the largest European independent property consultants, with over 2,800 staff working in 100 owned and associated offices throughout the world, is looking for charismatic people to join its fast growing Warsaw office to work in the Valuation and Investment Departments.

Candidates should meet the following minimum criteria:

- Masters Degree completed or 5 year students flexible to work 8h/day
- Hardworking and career orientated
- Excellent numerical skills
- Good communication skills
- Team player
- Fluent English

- A postgraduate diploma in valuation or work experience in the real estate industry would be useful but not essential.

We offer:

- A good remuneration package
- Excellent career prospects
- Training and an opportunity to travel

If you are interested, send your CV IN ENGLISH (WITH A COVERING LETTER AND A PHOTOGRAPH) to: hr@kingsturge.com.pl or mail it to: King Sturge Sp.z o.o., Al. Jana Pawła II 25, 00-854 Warszawa.

6. IMPROVEMENT OF PROFESSIONAL QUALIFICATIONS OF PROPERTY VALUERS

At present, legal regulations binding in Poland (the act of 2004) oblige real estate experts to continuous education improving their professional qualifications.

Elements of improvement of professional qualifications of real estate experts in Poland, are the following (the decree of 2005):

- Authorship of monographic works or tutorials for students,
- Publishing papers in national and international professional periodicals
- Participation in national and international conferences
- Participation in training courses
- Completion of post-graduate studies and professional courses.

Evaluation of meeting the obligation to improve professional qualifications is performed according to the assumed scale. A specified number of points are assigned to an expert for particular types of activities specified in the above list.

Evaluation, whether improvement of professional qualifications takes place is performed within 24-month periods.

If at least 10 points are assigned within that period, it is considered that the obligation is met.

7. FINAL REMARKS

The real estate market is influenced by globalisation processes due to increased flows of capital and working powers between many countries.

This is connected with real estate valuation works, which might be performed in other countries by real estate experts.

The Polish system of education of real estate experts as well as assigning professional qualifications, presented in this paper, has been highly evaluated by the TEGOVA Organization (The European Group of Valuers Associations).

However, differences between parameters of education and rules concerning assigning professional qualifications in various countries still exist. For example, in majority of the European countries, professional associations (as in the United Kingdom, Gregor 1996) or trade and industrial chambers (as in Germany, Praxishandbuch 1990) are responsible for licensing real estate experts. On the other hand, Chinese procedures are similar to those which are applied in Poland (W. Wilkowski, 2006).

The objective of this paper was to commence discussions concerning the model of education and licensing property valuers at the forum of the FIG Commission 9. Consideration of establishing the Working Group within that Commission might be also useful. Such Working Group could start co-operation with other international organizations, related to real estate valuation, in order to develop a model of education of property valuers and procedures of assigning professional authorization, as well as improvement of professional qualifications.

Positive experiences resulting from such forms of works related to acquisition of model solutions were gained by the FIG Commission 7 „Cadastre and Land Management”. The model of the cadastre of the future, “Cadastre 2014” has been developed as a result of works performed by that Commission.

REFERENCES

1. Mac Gregor, G. 1996: Surveyors, architects and estate agents. An Industry Accounting and Auditing Guide, , pp. 13-17, 26-29.
2. Praxishandbuch Sachverständigenrecht, München, 1990.
3. Wilkowski W. 2006: Issues Concerning real valuation in China; Przegląd Geodezyjny No 4 pp.. 14-17.
4. Act on real estate management, 1997, with later amendments; unified text of 2004 r. (Official Journal 2004, No 261 item 2603)
5. Decree of the Minister of Infrastructure on assigning authorisation and licensing experts in the field of real estate management and improvement of professional qualifications by real estate experts, agents in real estate sales and by administrators of real estates (Official Journal, 2005, No. 35 vol. 314)
6. Communicate of the Minister of Infrastructure of 2004 on specification of the minimum curricula requirements for post-graduate studies in the field of real estate valuation. Ministry of Infrastructure, 2004, the www page of the Ministry of Building Industry.

CONTACTS

Warsaw University of Technology
Faculty of Geodesy and Cartography
Plac Politechniki 1
Warsaw, Poland

Krystyna Czarnecka PhD, Dsc
k.czarnecka@gik.pw.edu.pl
tel./fax: +48 22 625 15 27

Katarzyna Sobolewska-Mikulska PhD
K-Mikulska@o2.pl
Tel./fax: +48 22 625 15 27

Wojciech Wilkowski PhD, Dsc
wojciech.wilkowski@gik.pw.edu.pl
tel./fax: +48 22 625 15 27