

New challenges for valuers - Need for extended education



- Valuation as an academic subject
- Valuation in a new institutional setting
- Transparency in valuation assumptions
- Valuation education - two approaches
- The KTH Valuation curriculum
- Curriculum comparison
- Conclusions and recommendations

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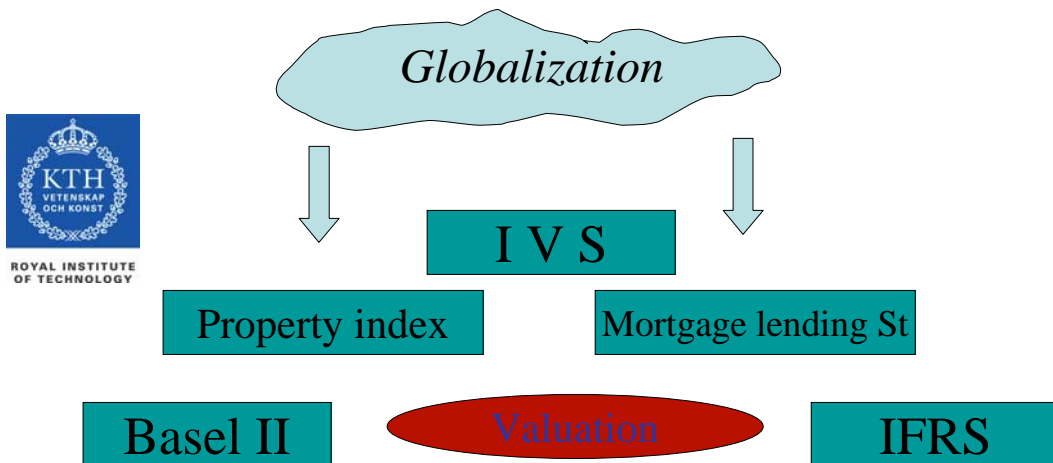
Valuation as an academic subject



- Introduced by Richard U Ratcliff
1961 Real Estate Analysis
1972 Valuation for Real Estate decisions
- Value and valuation theory linked to
Investment Theory and Theory for Decision
making
- Early research
Assessment for tax purpose
Compulsory purchase

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A new institutional setting



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Transparency in valuation assumptions



- The Swedish property index is based on transparency in assumptions
 - Assumptions about rents, yields, vacancy rates are disclosed on a aggregate level
- ➔
- The valuers as group "can not hide behind the value estimate"
 - *Need for a closer understanding of market relations*

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Valuation education - two approaches



The Grasskamp approach



The Financial approach

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The KTH Valuation program - I



- **Bachelor level 180 ECTS**

Mathematics, IT	57 ECTS
Building Science	28
Economic Science	45
Planning and building process	15
Law	21
Natural Resources	6
GIS	8
	180

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The KTH Valuation program - II



- **Master level 120 ECTS**
- Research methods
- Urban & regional economics
- Market analysis
- Business cycles
- Real estate development
- Investment analysis of financial assets
- Financial economics
- Portfolio management
- Financial institutions
- Contract theory
- Advanced issues in real Estate
- Real Estate Valuation

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Profile of programs



Core courses are the same around the world

KTH – Mathematics – a program within the surveying tradition

Reading – Early focus on valuation – a planning tradition

Wisconsin – Design and architecture

Western Sydney – Economics and finance

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Future of valuation education and the profession



- International competition about research money and students
- The valuation profession has a strong need for research and a strong academic back up
- Valuation as a profession will survive as long as valuers can add value to investment decision making
- New challenges for valuers
 - *Green building*
 - *Energy performance*
 - *Expert systems*

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A pathway ahead for valuation education



A mix of
the Grasskamp and financial
approaches

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