

Institutional conditions determining the real estate valuation process in Poland

During the process of estimating the value, the property appraiser faces a number of problems that need to be solved so that the property valuation is compliant with the law and methodological guidelines, and the value specified in the appraisal report is as accurate as possible. A large part of the problems has an institutional background and can be eliminated through appropriate systemic changes. Currently, the quality of real estate valuations, understood both in terms of compliance with the obligations imposed by law regarding the valuation process, and the accuracy of the result, depends to a large extent on the way of working of a particular property appraiser: his knowledge, experience, commitment, accuracy, ability to analyze and solve problems, and compliance with the rules of professional ethics. On the other hand, the conduct of individual appraisers, and in particular the quality and accuracy of their appraisal reports, has an impact on the perception of the entire professional environment. Poor quality translates into a lack of customer trust and generates unnecessary transaction costs. In practice, the results of the work of a property appraiser have a significant impact on the real estate market, and thus also on the economy. The considerations of this paper focus on institutional factors determining the real estate valuation process and their impact on the accuracy of real estate valuations in Poland. The undertaken research issues are important, up-to-date, and at the same time little recognized. The motive for taking up the subject of conditions in which the real estate valuation is made, were primarily my own observations from work as a property appraiser and a consequent desire to verify the originality and significance of my own considerations in the scientific and practical context. The main purpose of the work was to identify institutional factors that reduce the accuracy of real estate valuations, as well as to identify systemic solutions that would improve the valuation process and reduce the inaccuracy of the result. The implementation of the research objective required the use of the method of critical and retrospective review of Polish and foreign literature on the subject, conducting a survey among property valuers and using statistical and econometric methods. The undertaken research issues refer to matters that are extremely important, not only from the point of view of scientific considerations, but also from the point of view of economic practice.

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