

Summary PhD research Pim Klamer

Title: *Valuing the client or the property? An examination of client-related judgement bias in real estate valuation*

This thesis concerns the relationship between client orientation and professional judgement of commercial real estate valuers. It explores how clients and client interests may impact valuers and their independence during valuation practice. After all, a valuation is an estimate based on assessment and analysis. External influence may come into play here.

An important presumption of this thesis is that real estate valuers serve both private and public interests during work. Private interests relate to the commercial field in which valuers operate. Commercial interests of beneficiaries may elicit client preferences regarding valuation output. The public interest involves the protection of direct or indirect involved parties from suffering financial risks related to real estate activities.

This research indicates that client orientation by valuers relates to the perception of clients as a type of authority in the field. Acknowledgement of this authority implies care for commercial work aspects such as serviceability or efficiency. It is concluded that attention for commercial quality may come at the cost of technical quality of valuation work, such as research, analysis and substantiation. This risk is reinforced by the fact that valuers seem to be alert towards environmental cues during practice, such as client signals.

Real estate valuers therefore need to improve general awareness of risks associated with an (overly) client-orientated attitude, such as reduced attention for technical valuation quality. It is recommended that valuers progress a professional-sceptical attitude and develop greater emphasis on the public interest of their work in order to reduce client-related judgement bias risks.