



Instituto Superior de Economia e Gestão

UNIVERSIDADE TÉCNICA DE LISBOA

DESDE 1911

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CONTABILIDADE FISCALIDADE E FINANÇAS
EMPRESARIAIS

TRABALHO FINAL DE MESTRADO
DISSERTAÇÃO

**UNDERSTANDING APPRAISER INDEPENDENCE:
A MULTI-METHOD RESEARCH**

ANA RITA FERREIRA GAMITO

SETEMBRO 2012



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Abstract

This study focuses on the relationship between fund managers and appraisers in the national sector, of real estate investment funds, with the aim of developing a theoretical framework of how the independence of the appraisers is perceived by both agents.

Regarding the methodology, this study combines a qualitative interview survey with experts to understand which are the main concepts related to the appraiser's independence and a quantitative survey based on a questionnaire distributed individually to several real estate fund managers and appraisers.

We can conclude that the concept of appraiser independence does not have a simple definition and that the factors more mentioned in the definition are the pressure, the conflicts of interests, work ethic, and be qualified.

The qualitative research brought great added value to this study allowing us to understand the factors that influence the appraisers' independence. The statistic results show that the five factors more correlated with the appraiser's independence are client dimension, risk of disciplinary sanctions imposed by regulatory authorities or professional associations, access to the previous works of the same real estate, form of remuneration of the appraisals, and appraiser's experience. Additionally, we also found that appraisers and other agents have the same perceptions about the importance of each factor to the appraisals' independence.

Some limitations of this study are the lack of direct control over respondents while answering the questionnaire and the fact we have handled all factors the same way.

Key Words: Independence, Appraisers, Fund Managers, Appraisals, Real Estate Investment Funds, Portugal.

Resumo

Este estudo foca-se na relação entre gestores e avaliadores no sector nacional, de fundos de investimento imobiliário, com o objetivo de desenvolver um quadro teórico de como a independência dos avaliadores é percebida por ambos os agentes.

Sobre a metodologia, o estudo combina uma pesquisa qualitativa através de entrevistas com especialistas para entender quais são os principais conceitos relacionados com a independência do avaliador e uma pesquisa quantitativa com base num questionário distribuído individualmente a vários gestores de fundos imobiliários e avaliadores.

Podemos concluir que o conceito de independência do avaliador não tem uma definição simples e que os fatores mais citados na definição são a pressão, os conflitos de interesses, ter ética de trabalho e ser qualificado.

A pesquisa qualitativa trouxe grande valor acrescentado a este estudo permitindo entender os fatores que influenciam a independência dos avaliadores. Os resultados estatísticos mostram que os cinco fatores mais correlacionados com a independência do avaliador são a dimensão do cliente, o risco de sanções disciplinares impostas por autoridades reguladoras ou de associações profissionais, o acesso a trabalhos anteriores do mesmo imóvel, forma de remuneração das avaliações e a experiência do avaliador. Além disso, também concluiu que os avaliadores e os gestores de fundos têm as mesmas perceções sobre a importância de cada fator para a independência das avaliações.

Algumas limitações deste estudo são a falta de controlo direto sobre os inquiridos ao responder ao questionário e o fato dos fatores terem sido todos tratados da mesma forma.

Palavras – Chave: Independência, Avaliadores, Gestores de Fundos, Avaliações, Fundos de Investimento Imobiliário, Portugal.

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Abbreviations List

RICS – Royal Institution of Chartered Surveyors

TEGoVA - European Group of Valuers' Associations

IVSC - International Valuation Standards Committee

ASAVAL - Professional Association of Valuation Companies of Portugal

APAE - Portuguese Association of Valuers of Engineering

ANAI - National Association of Real Estate Appraisers

CMVM - Committee on Securities Market

REIF - Real Estate Investment Funds

1. Introduction

Nowadays, with globalization and competitiveness, companies who are concerned about ethics, are more able to compete successfully and manage to get not only the motivation and satisfaction of its professionals, but also rewarding results in their businesses. Today, almost all companies have their own ethic code. This trend in business has become relevant to their own credibility. All the financial scandals that happened recently (Enron or Worlcom cases and the recent subprime mortgage crisis) have brought a bigger awareness towards regulation systems.

Based on the relationship between fund managers and appraisers in the Portuguese real estate investment fund (hereafter referred as REIFs) industry, this paper aims to explore how appraisers' independence is perceived by different agents (appraisers, fund managers or bank managers) and which are the factors that influence such independence. This study may contribute to the literature for different reasons. First, this study attempts to go further on the definition of an independent appraiser through an exploratory study in order to develop a scale of perceived appraisers' independence (Barlett, 1993). Secondly, this work looks to determine what factors potentially influence these perceptions. Finally, it provides a basis for the development of a theoretical framework on the definition of appraisers' independence.

With this aim in view, we develop and propose an integrative model to assess the perceived appraiser's independence. This model considers that four factors may influence the appraisers' independence determination: (1) Appraiser's characteristics; (2) Client's Characteristics; (3) Appraisal's Characteristics and (4) Environmental Context. We apply the agency theory lenses to analyse the specificities of corporate governance structure existent on the REIFs. Regarding the methodology, this study combines a qualitative interview survey with experts to understand which are the main concepts related to the appraiser's independence and a quantitative survey based on a questionnaire distributed individually to several real estate fund managers and appraisers.

This research shows that there are no differences between fund managers and appraisers in the way of how appraiser's independence is perceived, also show that there are some factors which has a bigger influence to the appraisers. However, these conclusions have some limitations once the sample is too small and consequently the results are not so precise. The paper is organized into five sections. After the introduction, we present previous relevant research on the concept of independence and REIFs' corporate governance. Section 3 describes research design and procedures. Sections 4 and 5 discuss hypotheses and main results. Finally, in section 6 we make some concluding remarks and suggestions for future research.

2. Literature Review

2.1. Independence Concept

Independence has been a subject of decades of intense empirical research and philosophical debate (Barlett, 1993). There are several authors with different concepts of independence. Despite the scarce work done about the appraisers' independence, the concept of independence has been studied in other areas as for example in the accountancy literature with the auditors' independence and in the corporate governance literature with studies about board independence.

Considering that there are notable analogies between the roles of appraisers in portfolio appraisals and auditors in approving corporate accounts (Baum *et al.*, 2000), and the fact that both professions are expected to be providers of a neutral and independent opinion about financial information we build on this strand of the literature in order to define the appraisers' independence concept.

Recent studies have defined independence as the auditor's ability to resist client pressure (Knapp, 1985; Pany and Reckers, 1980; Pearson and Ryan, 1982) or the auditor's ability to act with integrity and objectivity (McKinley *et al.*, 1985); Pany and Reckers (1988), Moizer (1994) and Schuetze (1994) characterized as "an attitude/state of mind". Camichael and Swieringa (1968) argued that independence is a quality of auditor professionalism which can have a range of values.

Smolen and Casey (1997) argue that appraisers are the target of a shocking amount of client pressure. This pressure can place the independence of appraisers in grave doubt. Carneghi (1999) argued that appraisers are trained to approach an appraisal problem as neutral. Clients have not only incentives and the ability to influence appraisal outcomes, but appraisal process itself is governed to a large extent by the client and provides the opportunity for clients to exert their power over the valuer (Levy and Shuck, 2005).

The definition of market value and the subjectivity of appraisals also create opportunities for clients to exert power over the valuer which may result in a valuer reporting a value at higher or lower end of the range of acceptable values (Levy and Shuck, 2005). In addition, Kinnard *et al.* (1997) discovered that some appraisers in the United States are willing to change appraisal conclusions under client pressure.

RICS¹ - Royal Institution of Chartered Surveyors impose requirements relative to the qualifications and independence of appraisers to ensure that appraisers are competent and that their conclusions of value are objective and free from any conflicts of interest.

The European Group of Valuers' Associations (TEGoVA) and the International Valuation Standards Committee (IVSC) are two international professional associations that dictate some premises that have to be guide for the appraisal. Only recently, in 2010, Portugal became a member of TEGoVA named Professional Association of Valuation Companies of Portugal (ASAVAL).

In Portugal there is no single regulator to monitor appraisals. However, there are some associations that have been created over time, with the goal to monitor the appraiser's activity, such as APAE (Portuguese Association of Valuers of Engineering) and ANAI (National Association of Real Estate Appraisers), but they are just merely interest groups. The CMVM² is the only organization which requires that certain rules are followed, but there is not an organization as there is the RICS in England.

The RICS, within the scope of self-regulation that has developed over the years, has a number of professional codes of practice for its members. Some of them are universal and mandatory (such as the Red Book), some are also mandatory but to a geographical area and specific area of practice (as might be the Residential Estate Agency Code of Practice, that is mandatory in United Kingdom).

The Red Book is the only statement Practice mandatory for all members all over in the world. The aim of these documents is to provide more information about the standards or technical issues in specific aspects of assessment.

2.2. Portuguese Real Estate Investment Funds (REIF's)

Risk is a concept shared by almost all companies, therefore to achieve the succeed and stay in the market, it is essential to devise strategies to maximize revenues and minimize costs, thus

¹ RICS is the world's leading professional body for qualifications and standards in land, property and construction. As people, governments, banks and commercial organizations continue to demand more assurance of certified standards and ethics, attaining RICS status is the recognized mark of property professionalism (source: www.rics.org).

² The Committee on Securities Market (CMVM) aims to oversee and regulate the securities markets and financial derivatives and activity of all agents that act on them. The CMVM is an independent public body with administrative and financial autonomy.

promoting sustainable growth through investments that provide favorable returns. One way to reduce risk could be by sharing it with third parties, and at that point there are currently several options that the economy allow to do, such as Real Estate Investment Funds.

REIFs were first introduced in Portugal in 1987. In simple terms, investment funds are independent assets resulting from the aggregation and application of individual and collective entities savings in securities or equivalent. In other words, they represent an alternative to the usual financial product forms application of investors' savings, including bank deposits and direct investment in the capital market.

The access to professional management, the diversification of benefits, the attractive long-term capital appreciation and the low return volatility are the main advantages associate with this type of investment. However, there are some drawbacks, such as the lack of transparency and the limited liquidity.

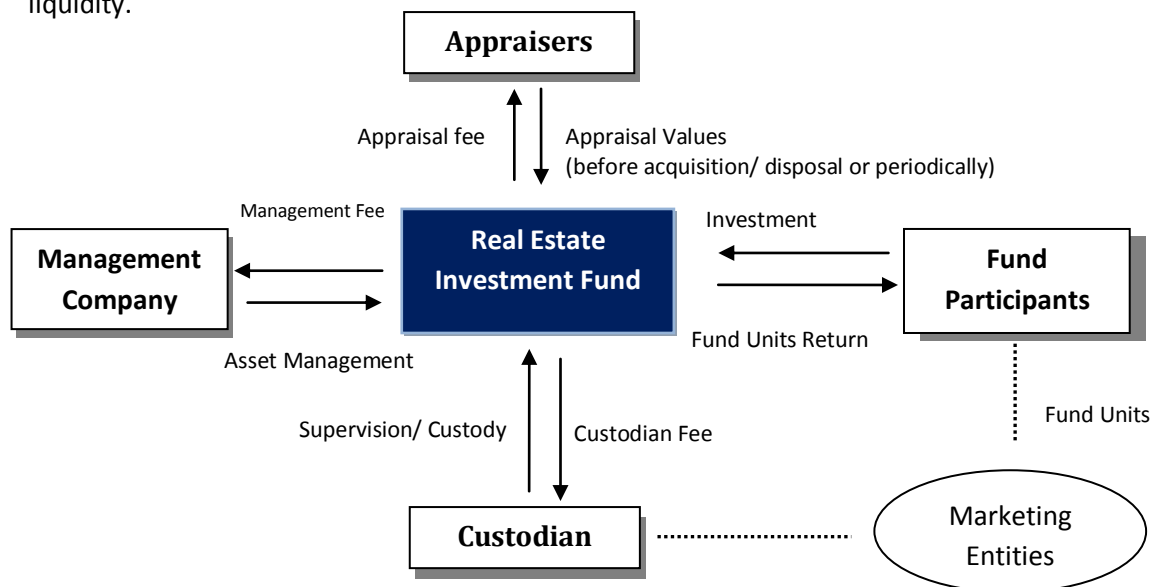


Fig. 1: Real Estate Investment Funds Process

The structure and operations of these funds are governed by Portuguese legislation and Portuguese securities market regulation³, being subject of extensive requirements of public disclosure.

The real estate investment funds applications must be accompanied and managed by specialized professionals in the capital market and real estate denominated real estate investment funds management companies, in return for a management fee (payable by the Fund). These entities have the sole purpose of managing, on behalf of the participants, one or

³ See Decree-Law nr. 13/2005 dated January, 7th and CMVM's regulation nr. 8/2002.

more real estate investment funds. In addition to the management company, there are other entities involved in this process: the Custodian and Marketing Entities⁴.

The real estate investment fund may take one of the following three ways: Open Funds, Closed Funds and Mixed Funds. Open Funds are composed by fund units variable in number, that means, the number of units varies depending on market demand, so that a subscription results in an increase in fund units and a redemption results in a elimination of fund unit's match. The Closed Funds consist of a fixed number of units, established at the time of issue, and may eventually be increased to pre-define in the regulation of fund management. In this case, the investment or disinvestment in a Closed Fund is through the purchase or sale of units. Finally, the Mixed Funds consist of two categories of fund units, with a fixed number and a variable number.

The custodian (which is generally a bank) receives on deposit the assets of the fund and satisfy requests for subscription and redemption of units, which are securities representing the investment. Meanwhile, the Marketing Entities, which may be more than one, are in charge of the task of marketing the fund units to the public investor. For the fund units, they are all identical, and give the participant the right of ownership over part of the assets of the fund, which corresponds to the value of fund unit that each hold.

Both entities have to act in an independent way in the exclusive interest of fund participant. Either the custodian or the management company are usually exercised by a commercial bank that distributes fund units through its retailing branch networking. The management company is frequently owned by this bank group which could have implication for agency relationship in the whole process (agency problems will be discussed later).

Properties should be valued before any acquisition or disposal and with a minimum periodicity of two years by two independent appraisers. Meanwhile, in order to determine the value of the fund net asset value subscription or redemptions, fund managers may choose any value between the acquisition cost and the average of appraisal values attributed by two independent appraisers.

CMVM has recently issued a statement with proposals for changes to real estate appraisals⁵:

⁴ According to Portuguese legislation, the functions of the management company and the custodian should be exercise by two different entities.

⁵ http://economico.sapo.pt/public/admin/tiny_mce/jscripts/tiny_mce/plugins/filemanager/files/CMVM_FII.pdf

- The value of the property comprising the assets of these funds will be calculated solely based on the average of the assessment by at least two expert appraisers.
- Real estate owned by public subscription funds should be evaluated every six months by experts and in other cases annually.
- The proposed amendments seek to bring the value of real estate funds to the amount that could be obtained under normal market conditions, if the property is sold in the moment of the appraisal. The projects submitted for public consultation also provide that the activity of experts becomes subject to simplified registration in the CMVM rather than mere notice.
- Experts now have to adopt written policies and procedures governing in particular their standards of ethics, independence, professional qualifications and internal organization, the terms in which they can perform operations on personal property or financial instruments affected by its activity and its policy on confidentiality, conflicts of interest, with regard to remuneration should not depend on the value of units of the fund or of the appraised value of the property.

Experts who can no longer evaluate more than 20% of the property portfolio of funds with more than three properties and the value of receipts of each fund manager, the expert shall not exceed 20% of their annual turnover.

2.3. Corporate Governance

The corporate governance topic has special relevance in the following of major international financial scandals, so the main development is associated with the need to combat fraud and facilitate companies' access to capital markets, in view of the principles of transparency, fairness and social responsibility.

Uncertainty and information asymmetry problems pose conflicts of interest in the relationships within the organizational structure that affect the basic functions of organizations and their potential for value creation. The theory further developed and from which most of the models and processes of corporate governance has been adopted, is the agency theory, which includes the separation of ownership and management company (Jensen and Meckling, 1976).

Agency Theory refers to a set of propositions in governing a firm which is typically characterized by a large number of shareholders or owners who allow separate individuals to control and direct

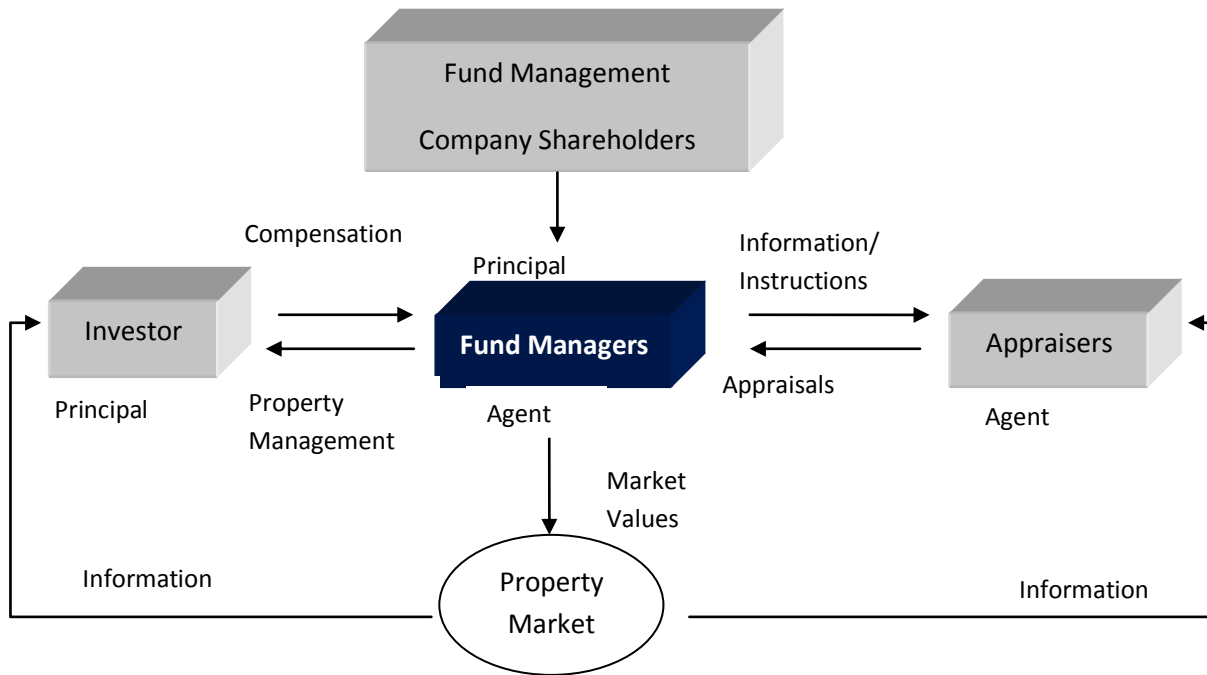
the use of their collective capital for future gains. The theory offers many useful ways to examine the relationship between owners and managers and verify how the final goal of maximizing the returns to the owners is achieved, particularly when the managers do not own the corporation's resources.

Jensen and Meckling (1976) mention the important role of monitoring in an agency relationship, they do not examine further how a large firm achieves efficient monitoring, i.e. how do firms structure their corporate governance in order to control the agency problem created by the separation of ownership and control? There are several authors that characterize Agency Theory under different theses, Jensen and Meckling (1976), and Ross (1973) refer that Agency Theory occurs when cooperating parties have different goals and division of labor. Agency theory is concerned with resolving two problems that can occur in agency relationships. The first is the agency problem that arises when (a) the desires or goals of the principal and agent conflict and (b) it is difficult or expensive for the principal to verify what the agent is actually doing (Eisenhardt, 1989). The issue with this is that the principal cannot verify that the agent has behaved appropriately. The second is the problem of risk sharing that arises when the principal and agent have different attitudes toward risk. The main concern related to this is that the principal and the agent may prefer different actions because of the different risk preferences (Eisenhardt, 1989). Jensen and Meckling (1976) assume that as agents do not own the corporation's resources, they may commit "moral hazards" (such as shirking duties to enjoy leisure and hiding inefficiency to avoid loss of rewards) merely to enhance their own personal wealth at the cost of their principals (Agency costs).

The guarantee of appraisers' independence is very important to assure the investors' confidence on the appraisal values, once investors in real estate investment funds buy and sell fund units on the basis of the fund's net asset value and the number of units issued. As the fund asset is mostly composed by properties that are appraised periodically by independent appraisers, the accuracy of real estate investment funds appraisals is fundamental to investment decision and performance measure.

Next figure represent the relationship between participants in the appraisal process applied to real estate investment funds in order to identify the different conflicts that can arise in such process.

Figure 2: Appraisal process in Real Estate Invest Funds



Source: adapted from Levy and Schuk (1999)

Agency problems between Investors and Fund Managers

In the context of real estate investment funds, the conflict exists between investors and fund managers, where the fund managers have the responsibility to make sure that the interests of management companies’ shareholders are aligned with those of fund owners. Cieleback (2004) argues that the problems associated with principal agent relationships are of great importance for investors.

Who hire the fund managers are the fund management companies board to manage different funds with various investment objectives. Each fund is a pool constituted by investor contributions separated from the others funds and investment company’s own assets. The management companies’ shareholders are different from investors who hold fund units.

The management fee and custodian fee are supported directly by the real estate fund and represent income to the management company and custodian entity respectively. These fees are usually based on appraised values of properties under management and therefore may constitute an incentive for real estate investment funds management to maximize appraisal of their fund’s properties and the associated management fees, while fund investors desire high returns at low cost. This process is appointed as a potential conflict.

The management company and the custodian must act independently, being jointly responsible for providing fund participants with a guarantee of compliance with all legal duties and management regulation⁶. On the other hand, the legal framework imposes limits on management companies operations in order to avoid conflict of interests. For example, the acquisition from and disposal of properties to management company, custodian or to individual that directly or indirectly hold a participation in the management is subject to Portuguese Security Exchange Commission (CMVM) approval.

Agency problems between Managers and Appraisers

The relationship between fund managers and appraisers could also lead to potential conflicts considering the incentives of parties involved in the process and the existing asymmetry of information. The appraisal value is a service provided by an agent (appraiser) to a principal (fund manager) who in turn is acting as an agent on behalf of fund participants.

Fund managers hire independent appraisers to conduct the appraisals of properties under management. Therefore, the investment decision and the fee received periodically by the management company are a function of these appraisals. Consequently, there is an incentive for REIF's managers to try to maximize appraisal of the fund's properties under management. This incentive is even stronger if we take into account that it is the fund manager that provides the appraisers with much of the information used in individual REIFs properties and if we consider that the manager is able at any time to dismiss the appraiser and require an alternative opinion in the case of not agreeing with the assessment made by the appraiser.

External factors can cause conflict of interests, as the influence of the client once the appraiser do not want to lose the commercial relationship in order to receive the fee. Sometimes, higher fees are offered, or offers are made of continuation of future engagement. At other times, professional fees are denied (Kohli, 1989) as the reward and coercive power of clients. Moreover, clients at times offer prejudiced appraisal information to their appraisers particularly in markets unfamiliar to the appraisers (Levy and Schuck, 1998).

Economic circumstances may also influence the motivations of the parties involved in the process (Dalbor, 2001). Stakeholders in the process may want appraised values to be higher or lower depending on the circumstances. Nowadays with the crisis that we are living, it is expectable that

⁶ As per article 14^o e 15^o of Decree-Law nr. 13/2005 dated January, 7th.

fund managers use from their potential influence on appraisers to limit the downward trend of real estate prices.

The Portuguese legislation and Securities Market Commission regulation impose different rules to inhibit parties involved from attempting to influence the appraisal process⁷. The properties held by REIFs must be appraised by at least two independent real estate appraisers. Real estate appraisals should be conducted in an objective and rigorous way in order to provide the best price which could be obtained if the property were sold at the moment of appraisal, under normal conditions. Appraisers should be certified by a grade course organized by entities that duly authorized by the CMVM. Different conflicts of interests are considered in CMVM regulations the action of real estate appraisers⁸.

The creation of institutions limiting possible agency problems from within the real estate markets is a way to reduce the agency problems (Cieleback, 2004). Contrary to what happens in certain countries, Portugal does not have a strong and organized structure to monitor the appraisal procedures. However, there are some monitoring procedures required, as for example the reports and accounts are subject to a report drawn up by an auditor registered with CMVM which also contribute to the reliability and confidence on appraisal values.

3. Research Design

As the topic of appraiser's independence is at an early stage of research and studies in this area are scarce, we perform an exploratory study based on a mixed method approach (Mingers, 2001). A sequential research design was developed in which the results of a qualitative study would feed a subsequent quantitative study. The combination of multiple methods in research strengthens its meaning, discussion and conclusions (Mingers, 2001). We first began by getting qualitative data through in depth-interviews in order to understand which are the main factors that are considered relevant for the definition of appraisers' independence. In order to achieve our aim this qualitative approach was taken, allowing a focus on the search for meaning and understanding (Goulding,

⁷ Decree-Law nr. 13/2005 dated January, 7th and CMVM's Regulation nr. 8/2002

⁸ Article 21th of CMVM's Regulation nr. 8/2002 establishes some incompatibilities like the individuals that have worked or have a group or controlling relationship with the management company cannot be designated as real estate appraisers of REIFs. In addition, units-holders which have more than 0,5% of the investment units of the funds to which the real estate relates and legal persons which simultaneously provide consultancy and real estate intermediary services in relation to the real estate property to be valued may not be designated as appraiser.

1998). The approach is also based on a preconception that detailed knowledge of the research questions is situated with professionals and could be best accessed by personal interview or “close dialogue” (Clark, 1998). Secondly, the findings of this qualitative study allowed us to develop a questionnaire. This questionnaire was then applied to the various agents of the industry to get the quantitative data. We selected two main samples for the survey: real estate fund managers and appraisers of the Portuguese REIF’s due to their direct or indirect involvement in the production of appraisals estimates. Additionally, the survey was also sent to banks’ mortgage credit managers.

As said, to test the factors presented we used the survey method. Surveys are often used in real estate behavioral research as it is considered an effective way of inference about people’s attitudes (Beattie *et al.*, 1999). This survey is based on a set of interviews with appraisers, regulators and managers of real estate investment funds. The main objective of these interviews is to understand the point of view of the main agents and to identify recurring themes and other relevant information about the factors that are perceived as critical to ensuring the independence of appraisers. An interview protocol (Appendix A) was developed based on the existent literature about appraisals and auditors independence taking into account Yin’s (2003) recommendations, in order to ensure that the data collection was adequate to accomplish the study objectives. The interviews were recorded and transcribed in order to be carefully analyzed. A total of five face-to-face semi-structured interviews were made with appraisers, regulators and fund managers in order to understand the different perspectives. The interviews were conducted in Portuguese and each last around one hour.

The interview protocol included four groups of factors perceived appraisers’ independence: (1) factors related to the characteristics of the appraiser (2) factors related to the characteristics of the client (3) factors related to the characteristics of appraisals and (4) factors related with the context in which appraisals are conducted.

- (1) About the factors related to the characteristics of the appraiser, we focus on the size of the company (if it is an international Big-N or not), the previous experience and the economic dependence of a specific client.
- (2) Concerning the factors related to the characteristics of the client, we asked about the type of client (banks, funds or firm), and the size of the client (including the economic and financial situation of the client). In addition, we tried to explore an important concept, already discussed in the literature review, which is the conflict of interests. To understand the implications behind this concept, we mentioned the importance of the appraisal to the

appraiser, the dependence of the remuneration on appraisal values, and if it exists some meeting with the client before the appraisal report be finished.

- (3) As far as the factors related to the characteristics of the appraisal are concerned, we centered in the goal of the appraisal, namely if the appraiser is influenced by the fact of knowing if the appraisal has as purpose the sale or the purchase of the property and the impact of previous works.
- (4) Regarding the factors related to the context, we focused on the role of professional associations in this market, the existence of a regulator to ensure the independence of the appraiser and if there is some kind of sanction in case of ethical principles being violated. Another relevant question is about the market conditions, if the great competition /competitiveness influence the appraiser's independence.

4. Results

There are risks inherent to qualitative, interview-based, research methodologies which can lead to doubts about the rigor of the process and the validity of the results and conclusions (Baum *et al.*, 2003). Additionally, criticisms have been raised concerning the lack of methodological rigor and transparency of qualitative research in social geography in terms of the lack of explicit consideration of methodological issues in conducting the research and analyzing the data (Baxter and Eyles, 1997). Although there are some concerns about the validity and generalizability of qualitative data, recent research has argued that the combination of different research methods can increase the understanding of the phenomenon under study and could lead to the development of better theories (Ventakesh *et al.*, 2012). Particularly, in the present study, one of the objectives is to better understand a complex concept, the appraisals independence. A qualitative study followed by a quantitative one has been identified as an adequate research design approach (Ventakesh *et al.*, 2012). On the other hand, some procedures have been taken in order to increase the objectivity of data collection and the validity of results. For example, the same interview protocol was applied in all interviews; more than one research was present, allowing the triangulation of researchers; all interviews were recorded and transcribed and then coded by more than one researcher.

4.1. Qualitative Data

With the interviews, we have validated the appropriateness of the factors that were found in the literature review and gathered new factors influencing the appraisals independence, integrated into the groups mentioned in the research design section. We interviewed three fund managers and three appraisers. The interviews lasted an average of one hour. Three of the five interviewees permitted that the interview was taped and transcribed. The interviewees were asked permission for the use of data and as a guarantee of confidentiality their names were omitted. For each of the interviewees was assigned a code according to the chronological order of the interviews. Appendix B presents a brief characterization of the interviewees.

Characteristics of the appraiser

Both appraisers and fund managers defended that more experience means more resistant to clients' pressure as experienced appraisers have more arguments and know-how of the market. So age and experience are factors in favor of a greater resistance to pressure the client. *"I think the experience is a factor in the competence of the appraiser. As more experience, more competent. Who has more experience doesn't like to be known as who makes favors, because it takes away some credibility."* argued the interviewee D. Regarding the pressure in young appraisers *"depends on the character and educational background of the person"* said interviewee A.

From the perspective of a fund manager, appraisal companies are always further away from the notion of market than an appraisal company that also makes mediation of real estate. This is because a company that also makes mediation has the two views, in other words does transactions and talks with investors. An independent appraisal company, without much notion of market assessing, can always evaluate according to some methods of cost, but need to know the value of the land, so it is very important to know what is the market value and a simple appraiser is always away. *"Separating the appraisal of advisory / mediation makes sense in some aspects but in other aspects it makes no sense. Because who has the know-how of the market, how the market is behaving at all times and not having a market as our, which is small, there is no evidences, there are very few transactions."* (Interviewee C). In the other hand, from the perspective of an appraiser, mediation of real estate and appraisal in the some company means subordination of interests.

Characteristics of the client

The background we got was that the economic and financial independence is essential for independence in the appraisals and is equally important that the remuneration is correct, appropriate and fair to the work of the appraiser. *“To have independence there must be capacity to generate its own revenues and the company must have an object and be profitable. Assuming that is not subordinated to other activities namely the real estate mediating being a poor relation.”* (Interviewee B)

Incentives to influence appraisal results may exist when the client’s remuneration is performance based or when appraisals are used for purposes such as rent reviews and borrowing or when they are required to validate in-house appraisals (Levy and Shuck, 2005). There are two ways for the remuneration of appraisers: In real estate investment funds is in levels, which means that depends on the appraisals values, therefore, it may happen that the appraisers do not care to evaluate a little bit higher to get more fees. In banks, it is tabulated in terms of the mortgage. In some companies the criteria depends on the appraisal complexity. In the present time, with our national financial situation, the appraisal price is much more competitive, says interviewee C that *“It feels a big competition from small independent companies, which sometimes makes us do the most competitive prices.”*

Nowadays the management companies ask more often to review the report previously before the final appraisal, so that the evaluator can substantiate and justify the value determined. This procedure can in some way influence the appraiser independence, because is a good opportunity for clients to make pressure in order to get a better appraisal. Client influence has great potential to affect appraisals (Levy and Shuck, 2005).

Characteristics of the appraisal

From the interviews with the appraisers and fund managements, either goal appraisal or previous works may influence the appraisal, although there are situations that will always depend on the appraiser character. Interviewee C explained how the appraiser can feels *“There is always an influence and there are always situations of great conflict when the appraiser has a value and is creating problems to the customer. The customer may dislike the appraiser and doesn’t contact him anymore. There’s always that danger, but there is another side of the coin, which is creasing seriousness and credibility (..)”*.

After the conversation with interviewee E, the conclusion was that the market in Portugal is very small, so all the fund managers know the appraisers companies and that fact can be a factor of

influence. This means that fund managers can choose the appraiser according to the appraisal and create pressure on appraisers.

Factors related to the context

Regarding the fact that there is no organization that regulates the activity of appraisers, the interviewees admitted that the existence of an entity will be necessary to give more credibility to appraiser’s work. Such a body is even more needed in a time of crisis in which the pressures are even more by the customers. We found that the smaller appraisal firms are more demanded by practicing lower prices and have greater vulnerability to suffer from the pressures of client.

All the interviewees were asked about their notion of the concept appraiser’s independence and other factors besides the ones who were mentioned above have emerged. As specific training in investment funds; be independent of management companies; there is no conflict of interest between who is evaluating and who is selling or buying a property; only have a big client portfolio; small appraisers may have much more dependent on specific customer, the least known become more permeable to be influenced and pressured to keep certain values.

The next figure shows in a simple way all the factors that were perceived to be crucial to appraisers’ independence.

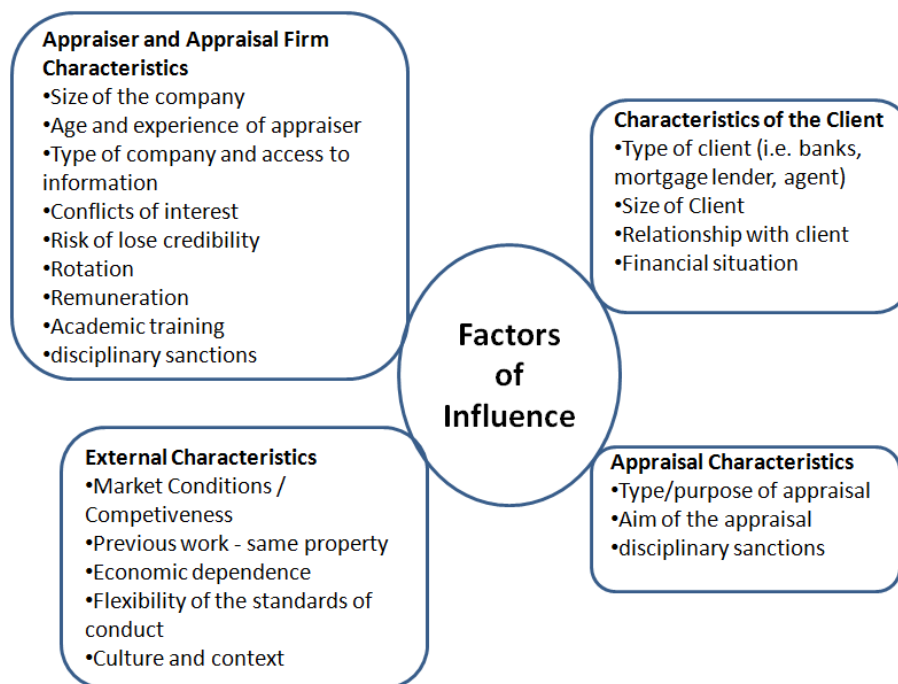


Figure 3. Model of factors affecting appraiser’s independence

Source: Adapted from Levy and Schuk (1999)

4.2. Quantitative Data

A five-point Likert-type scale was used, with the range one (no important) to five (very important). The survey was administered to fund managers and appraisers of Portugal. With a sample of 75 responses (in a universe of almost 300 professional) the data analysis was divided in two phases.

Some basic statistical analysis was made with the 75 answers, so 35% were appraisers, 19% were fund managers. 17% works in appraisal at least five years, 35% works in appraisal at five to fifteen years and 24% works for more than fifteen years. 42% were graduates, 24% were masters and 5% were PhD. 23% works in international firms and 53% in national firms.

Phase 1

To analyze the quantitative data, it was used an exploratory factor analysis for a set of items to identify the simplest factor structure and the most interpretable solution. Factor analysis assumes that relationships between variables are due to the effects of underlying factors and that observed correlations are the result of variables sharing common factors. For this, we used the SPSS program and the Varimax method of orthogonal rotation. The output gives us two measures, the Kaiser-Meyer-Olkin and Bartlett's test of sphericity. The KMO measure of sampling adequacy tests whether the partial correlations among variables are small. Kaiser (1954) recommends accepting values greater than 0.5 as acceptable, the values between 0.5 and 0.7 are mediocre, and values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above are superb. Bartlett's test of sphericity tests whether the correlation matrix is an identity matrix, which would indicate that the factor model is inappropriate. The research involved generating and categorizing questions and gathering and analyzing data to eliminate items. A total of 23 items were generated to measure the factors.

Complementarily, the Cronbach's Alpha (α) was calculated in order to measure the internal consistency ("reliability"). In the output the values in the column labeled Corrected Item-Total Correlation shows the correlation between each item and the total score from the survey. In a reliable scale all items should correlate with the total, so if any of the values are less than 0.3 the items do not correlate with the overall score. The column *Cronbach's Alpha if Item is Deleted* shows the values of the overall α if item is not included in the calculation. When any item is deleted indicate that none of the items would increase the reliability if they were deleted.

Phase 2

Another approach was made in order to understand the differences between the answers of the fund managers and the appraisers, i.e. perceiving the two perspectives of the appraisal. For this research was used the Mann-Whitney U Test. This non-parametric test works looking at differences in the ranked positions of scores in different groups.

4.2.1. Data Analysis

Phase 1

Data were analyzed with several objectives in mind: purification, unidimensionality, reliability, brevity and simplicity of factor structure (Dhillon *et al.*, 2002). Churchill (1979) describes the need to purify the items (i.e., eliminate “garbage items”). He suggests that when the factor analysis is conducted before purification, it produces many more dimensions than can be conceptually identified, confounding the interpretation of the factor analysis.

The purification procedure, allowed us to eliminate 3 of 25 items. Reliability analysis resulted in elimination of one more item. The value obtained in the KMO measure was 0.787, which shows a mediocre fit of possibilities for data processing with the factor analysis method (Appendix C).

Data analysis revealed that respondents had difficulty relating the items frequent rotation of the appraiser, academic training of the appraiser and client type (bank, investment fund or firm) with the independence of the appraiser. Bartlett's test significance result is less than 0.0001, which allows again to confirm the ability and suitability of factorial analysis method for processing data, in other words, this suggests that the intercorrelation matrix contains enough common variance to make factor analysis worth pursuing (Dhillon *et al.*, 2002).

The factor structure was not easy to interpret given the heterogeneity of the items presented in each factor request. However, five factors were achieved, *External pressures: the customer and the competition* (eight items); *Appraiser's risk* (four items); *Client/appraiser relationship* (four items); *Conflicts of interest* (three items); *Appraiser and appraisal characteristics* (three items). The range for factor loadings was 0.49 to 0.84 for external pressures: the customer and the competition, 0.56 to 0.87 for Appraiser's risk, 0.49 to 0.8 for Client/appraiser relationship, 0.46 to 0.71 for Conflicts of interest, and 0.58 to 0.8 for Appraiser and appraisal characteristics.

Using this data set Cronbach's α s for the five-factor model were calculated, as you can see in Table 1. The factor I (external pressures: the customer and the competition) and the factor II (appraiser's risk) presents an overall reliability higher than 0.8 (0.86 and 0.82, respectively) which indicates a high level of internal consistency for our scale with this specific sample. The remaining factors indicate an overall reliability lower than 0.7 and the values in the *Cronbach's Alpha if Item is Deleted* indicated that none of the items here would increase the reliability if they were deleted because all values in this column are less than the overall reliability. Another way to see if delete an item could improve the overall reliability was by the *Corrected Item-Total Correlation* if it was less than 0.3.

Regarding the eigenvalues, the corresponding values to the factor have a little importance for the explanation of the variance. The variance of the factor I is very high, which means that the items are very different between them.

	I	II	III	IV	V	Eigenvalues	% of Variance	Cronbach's alfa
External pressures: the customer and the competition								
Client Dimension	0,84							
Desire to keep a particular client portfolio	0,76							
Client's pressure face to current economic situation	0,73							
Integration in an appraisals international company	0,70							
Economic dependency of the appraiser face to the customer	0,58					7,81	33,94	0,86
Economic and financial situation of the client	0,58							
Competition on the market of real estate appraisals	0,55							
Purpose of appraisal (sale, purchase, or for the purpose of valuation of the assets of a company)	0,49							
Appraiser's Risk								
Risk of disciplinary sanctions imposed by regulatory authorities or professional associations	0,87							
Risk of the appraiser lose the license to carry out their activities	0,83					2,492	10,84	0,83
Risk of litigation	0,77							
The risk of the appraiser losing the credibility in the market	0,56							
Client / Appraiser Relationship								
Access to the previous works of the same real estate			0,80					
Prior relationship between client and appraiser			0,80			2,17	9,42	0,69
Flexibility of the conduct standards			0,52					
Duration of the customer / appraiser relation			0,49					
Conflicts of interest								
Form of remuneration of the appraisals				0,71				
Previous discussion with the client about the appraisal report				0,63		1,3	5,67	0,61
The existence of conflicts of interest				0,46				
Appraiser and appraisal characteristics								
Appraiser's experience					0,80	1,09	4,75	0,61
Culture and context in which the appraisal is inserted					0,63			
Appraiser/appraisal firm dimension					0,58			

Table 1 - Factor Analysis and Cronbach α .

Phase 2

The output of Mann-Whitney test indicates the factors perceived by the two groups (appraisers or fund managers) as the ones who have more influence in the appraiser's independence. Analyzing the output, it is possible to conclude that there are no differences between appraisers and other agents (such as fund managers) about the way independence appraiser's perceived. The p-value associated with each statistical test on each item was insignificant ($p > 0,0001$) (see Appendix D).

The ranks mean indicate us the items that affect positively and negatively the appraiser's independence (Appendix E).

Items which affect positively (from most important to least important):

- An appraisal carried out by a company integrated in an international group of appraisal has better conditions to be perceived as more independent.
- The appraisal of a company known in the market is more credible than the appraisal of a company little-known.
- The mandatory change of the appraiser contributes to a greater independence in appraisals.
- The existence of sanctions for appraisers can ensure increased independence of appraisals.
- The existence of standards and internal guidelines contribute to increase the independence of the appraiser.

Items which affect negatively (from most important to least important):

- The appraisers of small firms are more influenced to any pressure from customers.
- The existence of a prior relationship between the appraiser and the client contributes to a lesser independence of the appraisers.
- A big client can put more pressure on the appraisers, which can compromise their independence.
- The existence of meetings between the client and the appraiser before the final report may contribute to greater pressure by the client to the appraiser.
- Currently there is a big competition price in the appraisals which may contribute to decrease the independence of appraisals.

5. Discussion

It is noticeable the need to develop this theme in Portuguese real estate market. Of course that there are opposing opinions between those who assess and mediate, in particular about the definition of appraiser's independence, however with regard to the range of factors that influence the appraiser's independence opinions do not differ much.

The qualitative research of the factors was essential for the development of this study, however the number of interviews may have been insufficient to understand the real perspective of who evaluates and who mediates.

The survey was based in factors that were perceived to be crucial to appraisers' independence (adapted from Levy and Schuk, 1999), which was firstly tested by some experienced appraisers. However, after we get the survey's results we understood that was some misunderstandings for some interviewees about the meaning of the question and the degree of importance of the factor involved. As an example: *"The size of the client should not have any importance in appraisal work, i.e. two building side by side, one of a family office another giant of a publicly quoted, in my opinion both should have the same criteria and valuation assumptions"*.

Real Estate Appraisal students also answer the survey, the lack of experience in the market may have negatively influenced the way they understand the factors that influence the appraiser's independence.

About the quantitative research we get two different results. The factorial analysis indicate us that the items which more affect the appraiser's independence are client dimension; risk of disciplinary sanctions imposed by regulatory authorities or professional associations; access to the previous works of the same real estate; form of remuneration of the appraisals; and appraiser's experience. Whereas the Mann-Whitney Test indicate us that the most important items are the appraisers firms dimension; the existence of a prior relationship between the appraiser and the client; client dimension; the existence of meetings between the client and the appraiser before the final report and the big competition price in the appraisals. So with two different groups of questions and two different type of test the results are not in total agreement.

6. Conclusion and Limitations

The first conclusion that we can take from this study, after all the interviews and the surveys that were done, is that the concept of appraiser independence do not have a simple definition and that the factors more mentioned in the definition are the pressure, the conflicts of interests, work ethic, and be qualified.

This research proposes a new set of factors that are important in the context of the appraisal's independence which has implications both to managers and to researchers. In fact, most of the respondents of the survey that leave an overall comment about the study, expressed the timely relevance and usefulness of this research.

The combination of multiple research methods in this work strengthens the meaning and the understanding of a complex reality, as it is the case of the appraisal's independence. The qualitative research brought great added value for this study allowing us to understand the factors that influence the appraisers' independence. The statistics results show that the five factors more correlated with the appraiser's independence are client dimension, risk of disciplinary sanctions imposed by regulatory authorities or professional associations, access to the previous works of the same real estate, form of remuneration of the appraisals, and appraiser's experience. Additionally, we also found that appraisals and other agents have the same perceptions about the importance of each factor to the appraisals' independence.

Both in the interviews phase and in the survey phase, participants have expressed that it would be very important that in the future a single body regulate the activity of real estate appraisal. While this does not happen a solution to minimize the pressure from the client is exactly not knowing the client.

We believe that we contributed to the enhancement of the existing literature, although the quantitative data this study has some limitations, in particular given the small sample size taking into account the number of factors we have. It is possible to justify that reality with the small market that we have in Portugal in this area. Nevertheless is a weakness when we interpret the results. Additionally, the respondents are only from Portugal, which is a concern in terms of generalizability. Another limitation is the fact that data was collected through self-completion questionnaires.

Therefore, there is a limitation of self-report biases of respondents, in particular the meaning of some of the questions due the technical terms that in some cases it was not possible to overcome.

In addition, there was a lack of direct control over respondents while answering the questionnaire. The survey was distributed via e-mail to potential respondents. By clicking on the link provided on the email, respondents were directed to the survey website. Once the respondents accessed the website, it was up to them to complete the survey at their own pace. It would be beneficial to administer the survey in a controlled environment where they could be directly monitored and any doubts could be immediately clarified.

7. Further Research

For future studies maybe it was important to distinguish better between intrinsic appraiser's independence factors (most within the field of ethics and the profession by experience and academic background) and extrinsic appraiser's independence factors (companies, customers, banks, associations, etc.. which by its size and dominant position in the sector make use of their ability to pressure). The fact we have handled all factors the same way can justify that the results were not so precise.

Another recommendation is that the study should reflect on the current "circuit" of appraisals: - Who hires appraisal services? To what end? - Who makes them and under what conditions? For reflection - would be synonymous with the existence of independence "of central reviews" run by the supervisory entity?

Also, in future studies about appraiser's independence we could widen the study to other European countries. This would allow one to get a better understanding about the weight of the regulatory context in the independence's perception. In fact, expanding the study to the international markets, not only to get a bigger range of responses to make the results more precise but also to understand the differences between how this subject is approached in Portugal and the world outside.

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9. Appendix

APPENDIX A

Survey

1. **Qual seria a sua definição de “avaliador independente”?**
2. **Nas questões que se seguem, indique o seu grau de concordância:**
 - Um avaliador com mais anos de experiência profissional na área consegue resistir melhor a eventuais pressões
 - Um avaliador mais jovem consegue ser mais independente
 - A avaliação realizada por uma empresa integrada num grupo internacional de avaliação tem melhores condições para ser percebida como mais independente
 - A avaliação realizada por uma empresa nacional de avaliação tem melhores condições para ser percebida como mais independente
 - A avaliação realizada por um avaliador por conta própria tem melhores condições para ser percebida como mais independente
 - A avaliação realizada por uma empresa que também presta serviços de mediação imobiliária tem menores condições para ser independente
 - A mudança obrigatória do avaliador contribui para uma maior independência nas avaliações
 - A existência de um relacionamento prévio entre o avaliador e o cliente contribui para uma menor independência dos avaliadores
 - Um cliente de maior dimensão exerce maior pressão sobre os avaliadores, podendo comprometer a independência dos mesmos
 - A dependência económica do avaliador/empresa de avaliação de um número reduzido de clientes pode contribuir para uma menor independência dos avaliadores
 - A forma de remuneração das avaliações pode contribuir para uma menor independência dos avaliadores
 - A existência de reuniões entre o cliente e o avaliador antes do relatório final pode contribuir para uma maior pressão do cliente sobre o avaliador
 - A existência de conflitos de interesse afetam negativamente a independência do avaliador

- As pressões resultantes da crise financeira atual podem influenciar negativamente a independência do avaliador
- O acesso a trabalhos anteriores pode influenciar as novas avaliações do mesmo imóvel diminuindo a independência do avaliador
- A existência de sanções para os avaliadores poderá garantir o aumento da independência das avaliações
- O tipo de formação académica do avaliador possibilita que este seja mais independente na sua avaliação
- Os avaliadores ou empresas de avaliação ligados a uma associação profissional são percebidos como mais independentes
- Os avaliadores de pequenas empresas resistem menos às eventuais pressões dos clientes
- A avaliação de uma empresa com nome no mercado é mais credível do que a avaliação de uma empresa pouco conhecida no mercado
- O tipo de cliente (sendo banco, fundo ou empresa) tem influência sobre a independência das avaliações
- Atualmente existe uma grande concorrência de preços nas avaliações o que pode contribuir para uma menor independência da avaliação
- A proposta da CMVM de valorização dos ativos dos fundos de investimento imobiliário através da média de duas avaliações realizadas por dois peritos avaliadores externos pode levar a um aumento da pressão do cliente sobre o avaliador
- A existência de uma única associação de avaliadores em Portugal com força no mercado poderia contribuir para a maior independência dos avaliadores
- O avaliador é influenciado pelo facto de saber que a avaliação tem como objetivo a compra ou a venda de um imóvel
- A existência de standards ou normas internas contribui para uma maior independência do avaliador
- A existência de vários tipos de relação (avaliação, mediação, consultoria, etc.) entre a empresa de avaliação (ou avaliador) e o cliente poderá comprometer a independência da avaliação

Caso existam outros fatores que considera relevantes para a análise da independência de um avaliador e que não estão aqui referidos, por favor, indique os:

3. Por favor, indique o grau de importância que os seguintes fatores podem ter na independência de um avaliador

- Dimensão do cliente
- Pressão da atual situação económica do país
- Experiência do avaliador
- Vontade de manter um determinado cliente em carteira
- Objetivo da avaliação (ser para venda, compra ou para efeitos de avaliação do ativo de uma empresa)
- Existir relacionamento prévio entre cliente e avaliador
- Acesso a trabalhos anteriores do mesmo imóvel
- Dependência económica do avaliador face ao cliente
- Concorrência existente no mercado de avaliações imobiliárias
- Existência de conflitos de interesse
- Risco de o avaliador perder credibilidade no mercado
- Duração da relação cliente/avaliador
- Flexibilidade das normas de conduta
- Dimensão do avaliador/empresa de avaliação
- Integração numa empresa internacional de avaliações
- Cultura e contexto no qual se insere a avaliação
- Situação económica e financeira do cliente
- Discussão prévia do relatório de avaliação com o cliente
- Rotação frequente do avaliador
- Forma de remuneração das avaliações
- Risco de sanções disciplinares impostas por associações profissionais ou entidades reguladoras
- Risco de litigância

- Risco do avaliador perder a licença para exercer a sua atividade
- Formação académica do avaliador
- Tipo de cliente (banco, fundo de investimento imobiliário ou empresa)

APPENDIX B

Brief characterization of the interviewees

Interviewees	Job Function	Type of Organization
A	Appraiser	Appraisal
B	Appraiser	Appraisal
C	Fund Manager	Mediator and appraiser
D	Appraiser	Mediator and appraiser
E	Fund Manager	Mediator
F	Fund Manager	Mediator

APPENDIX C

Output KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,787
Bartlett's Test of Sphericity	Approx. Chi-Square	693,881
	df	253
	Sig.	,000

APPENDIX D

Mann-Whitney Test Non Parametric

Test Statistics

	Um avaliador com mais anos de experiência profissional na área consegue resistir melhor a eventuais pressões	A avaliação realizada por uma empresa integrada num grupo internacional de avaliação tem melhores condições para ser percebida como mais independente	A avaliação realizada por uma empresa nacional de avaliação tem melhores condições para ser percebida como mais independente	A avaliação realizada por um avaliador por conta própria tem melhores condições para ser percebida como mais independente	A avaliação realizada por uma empresa que também presta serviços de mediação imobiliária tem menores condições para ser percebida como mais independente	A mudança obrigatória do avaliador contribui para uma maior independência nas avaliações	A existência de um relacionamento prévio entre o avaliador e o cliente contribui para uma menor independência dos avaliadores	Um cliente de maior dimensão exerce maior pressão sobre os avaliadores, podendo comprometer a independência dos mesmos
Mann-Whitney U	152,000	74,000	179,000	170,000	171,000	136,000	150,500	153,000
Wilcoxon W	257,000	399,000	530,000	521,000	276,000	487,000	501,500	504,000
Z	-,871	-3,059	-,088	-,354	-,330	-1,362	-,955	-,879
Asymp. Sig. (2-tailed)	,384	,002	,930	,723	,741	,173	,340	,380
Exact Sig. [2*(1-tailed Sig.)]	,408 ^b	,002 ^b	,944 ^b	,747 ^b	,769 ^b	,200 ^b	,376 ^b	,424 ^b
Exact Sig. (2-tailed)	,392	,002	,948	,734	,759	,177	,346	,397
Exact Sig. (1-tailed)	,198	,001	,472	,369	,377	,093	,170	,205
Point Probability	,010	,000	,007	,021	,005	,002	,002	,026

	Um cliente de maior dimensão exerce maior pressão sobre os avaliadores, podendo comprometer a independência dos mesmos	A dependência económica do avaliador/empresa de avaliação de um número reduzido de clientes pode contribuir para uma menor independência dos avaliadores	A forma de remuneração das avaliações pode contribuir para uma menor independência dos avaliadores	A existência de reuniões entre o cliente e o avaliador antes do relatório final pode contribuir para uma maior pressão do cliente sobre o avaliador	A existência de conflitos de interesse afetam negativamente a independência do avaliador	As pressões resultantes da crise financeira atual podem influenciar negativamente a independência do avaliador	A predisposição do Banco para conceder crédito habitação, pode influenciar o trabalho do avaliador (credit boom vs. credit crunch)	A existência de uma única avaliação do imóvel pode contribuir para uma menor independência do avaliador
Mann-Whitney U	153,000	165,500	180,500	131,500	175,000	165,000	167,500	159,000
Wilcoxon W	504,000	516,500	531,500	236,500	280,000	465,000	518,500	264,000
Z	-,879	-,513	-,045	-1,530	-,220	-,096	-,424	-,668
Asymp. Sig. (2-tailed)	,380	,608	,964	,126	,826	,924	,671	,504
Exact Sig. [2*(1-tailed Sig.)]	,424 ^b	,644 ^b	,967 ^b	,154 ^b	,856 ^b	,940 ^b	,685 ^b	,528 ^b
Exact Sig. (2-tailed)	,397	,615	,974	,126	,841	,927	,684	,516
Exact Sig. (1-tailed)	,205	,311	,487	,063	,422	,466	,347	,252
Point Probability	,026	,022	,004	,002	,023	,004	,007	,006

	O acesso a trabalhos anteriores pode influenciar as novas avaliações do mesmo imóvel diminuindo a independência do avaliador	A existência de sanções para os avaliadores poderá garantir o aumento da independência das avaliações	O tipo de formação académica do avaliador possibilita que este seja mais independente na sua avaliação	Os avaliadores ou empresas de avaliação ligados a uma associação profissional são percebidos como mais independentes	Os avaliadores de pequenas empresas resistem menos às eventuais pressões dos clientes	A avaliação de uma empresa com nome no mercado é mais credível do que a avaliação de uma empresa pouco conhecida no mercado	O tipo de cliente (sendo banco, fundo ou empresa) tem influência sobre a independência das avaliações
Mann-Whitney U	162,500	149,000	180,000	150,000	134,000	114,000	179,000
Wilcoxon W	267,500	254,000	285,000	255,000	485,000	439,000	284,000
Z	-,589	-,991	-,059	-,760	-1,399	-1,845	-,090
Asymp. Sig. (2-tailed)	,556	,322	,953	,447	,162	,065	,928
Exact Sig. [2*(1-tailed Sig.)]	,585 ^b	,361 ^b	,967 ^b	,478 ^b	,180 ^b	,076 ^b	,944 ^b
Exact Sig. (2-tailed)	,578	,331	,959	,481	,175	,064	,943
Exact Sig. (1-tailed)	,288	,168	,478	,233	,090	,034	,481
Point Probability	,024	,013	,005	,027	,009	,002	,016

	Atualmente existe uma grande concorrência de preços nas avaliações o que pode contribuir para uma menor independência da avaliação	A proposta da CMVM de valorização dos activos dos fundos de investimento imobiliário através da média de duas avaliações realizadas por dois peritos avaliadores externos pode levar a um aumento da pressão do cliente sobre o avaliador	A existência de uma única associação de avaliadores em Portugal com força no mercado poderia contribuir para a maior independência dos avaliadores	O avaliador é influenciado pelo facto de saber que a avaliação tem como objetivo a compra ou a venda de um imóvel	A existência de standards ou normas internas contribui para uma maior independência do avaliador	A existência de vários tipos de relação (avaliação, mediação, consultoria, etc.) entre a empresa de avaliação (ou avaliador) e o cliente poderá comprometer a independência da avaliação
Mann-Whitney U	134,000	154,500	164,000	180,000	151,500	181,000
Wilcoxon W	239,000	259,500	269,000	531,000	256,500	532,000
Z	-1,433	-,810	-,522	-,059	-,935	-,030
Asymp. Sig. (2-tailed)	,152	,418	,602	,953	,350	,976
Exact Sig. [2*(1-tailed Sig.)]	,180 ^b	,440 ^b	,624 ^b	,967 ^b	,392 ^b	,989 ^b
Exact Sig. (2-tailed)	,154	,436	,610	,965	,355	,985
Exact Sig. (1-tailed)	,076	,218	,306	,472	,180	,502
Point Probability	,000	,012	,003	,008	,009	,007

APPENDIX E

Mann-Whitney Test Non Parametric

Ranks

Cargo que ocupa		N	Mean Rank	Sum of Ranks
Um avaliador com mais anos de experiência profissional na área consegue resistir melhor a eventuais pressões	avaliador	26	21,65	563,00
	gestor	14	18,36	257,00
	Total	40		
A avaliação realizada por uma empresa integrada num grupo internacional de avaliação tem melhores condições para ser percebida como mais independente	avaliador	25	15,96	399,00
	gestor	14	27,21	381,00
	Total	39		
A avaliação realizada por uma empresa nacional de avaliação tem melhores condições para ser percebida como mais independente	avaliador	26	20,38	530,00
	gestor	14	20,71	290,00
	Total	40		
A avaliação realizada por um avaliador por conta própria tem melhores condições para ser percebida como mais independente	avaliador	26	20,04	521,00
	gestor	14	21,36	299,00
	Total	40		

A avaliação realizada por uma empresa que também presta serviços de mediação imobiliária tem menores condições para ser independente	avaliador	26	20,92	544,00
	gestor	14	19,71	276,00
	Total	40		
A mudança obrigatória do avaliador contribui para uma maior independência nas avaliações	avaliador	26	18,73	487,00
	gestor	14	23,79	333,00
	Total	40		
A existência de um relacionamento prévio entre o avaliador e o cliente contribui para uma menor independência dos avaliadores	avaliador	26	19,29	501,50
	gestor	14	22,75	318,50
	Total	40		
Um cliente de maior dimensão exerce maior pressão sobre os avaliadores, podendo comprometer a independência dos mesmos	avaliador	26	19,38	504,00
	gestor	14	22,57	316,00
	Total	40		
A dependência económica do avaliador/empresa de avaliação de um número reduzido de clientes pode contribuir para uma menor independência dos avaliadores	avaliador	26	19,87	516,50
	gestor	14	21,68	303,50
	Total	40		
A forma de remuneração das avaliações pode contribuir para uma menor independência dos avaliadores	avaliador	26	20,44	531,50
	gestor	14	20,61	288,50
	Total	40		
A existência de reuniões entre o cliente e o avaliador antes do relatório final pode contribuir para uma maior pressão do cliente sobre o avaliador	avaliador	26	22,44	583,50
	gestor	14	16,89	236,50
	Total	40		
A existência de conflitos de interesse afetam negativamente a independência do avaliador	avaliador	26	20,77	540,00
	gestor	14	20,00	280,00
	Total	40		
As pressões resultantes da crise financeira atual podem influenciar negativamente a independência do avaliador	avaliador	24	19,38	465,00
	gestor	14	19,71	276,00
	Total	38		
A predisposição do Banco para conceder crédito habitação, pode influenciar o trabalho do avaliador (credit boom vs. credit crunch)	avaliador	26	19,94	518,50
	gestor	14	21,54	301,50
	Total	40		
A existência de uma única avaliação do imóvel pode contribuir para uma menor independência do avaliador	avaliador	26	21,38	556,00
	gestor	14	18,86	264,00
	Total	40		
O acesso a trabalhos anteriores pode influenciar as novas avaliações do mesmo imóvel diminuindo a independência do avaliador	avaliador	26	21,25	552,50
	gestor	14	19,11	267,50
	Total	40		
A existência de sanções para os avaliadores poderá garantir o aumento da independência das avaliações	avaliador	26	21,77	566,00
	gestor	14	18,14	254,00
	Total	40		
O tipo de formação académica do avaliador possibilita que este seja mais independente na sua avaliação	avaliador	26	20,58	535,00
	gestor	14	20,36	285,00
	Total	40		
Os avaliadores ou empresas de avaliação ligados a uma associação profissional são percebidos como mais independentes	avaliador	25	21,00	525,00
	gestor	14	18,21	255,00
	Total	39		
Os avaliadores de pequenas	avaliador	26	18,65	485,00

empresas resistem menos às eventuais pressões dos clientes	gestor	14	23,93	335,00
	Total	40		
A avaliação de uma empresa com nome no mercado é mais credível do que a avaliação de uma empresa pouco conhecida no mercado	avaliador	25	17,56	439,00
	gestor	14	24,36	341,00
	Total	39		
O tipo de cliente (sendo banco, fundo ou empresa) tem influência sobre a independência das avaliações	avaliador	26	20,62	536,00
	gestor	14	20,29	284,00
	Total	40		
Atualmente existe uma grande concorrência de preços nas avaliações o que pode contribuir para uma menor independência da avaliação	avaliador	26	22,35	581,00
	gestor	14	17,07	239,00
	Total	40		
A proposta da CMVM de valorização dos activos dos fundos de investimento imobiliário através da média de duas avaliações realizadas por dois peritos avaliadores externos pode levar a um aumento da pressão do cliente sobre o avaliador	avaliador	26	21,56	560,50
	gestor	14	18,54	259,50
	Total	40		
A existência de uma única associação de avaliadores em Portugal com força no mercado poderia contribuir para a maior independência dos avaliadores	avaliador	26	21,19	551,00
	gestor	14	19,21	269,00
	Total	40		
O avaliador é influenciado pelo facto de saber que a avaliação tem como objetivo a compra ou a venda de um imóvel	avaliador	26	20,42	531,00
	gestor	14	20,64	289,00
	Total	40		
A existência de standards ou normas internas contribui para uma maior independência do avaliador	avaliador	26	21,67	563,50
	gestor	14	18,32	256,50
	Total	40		
A existência de vários tipos de relação (avaliação, mediação, consultoria, etc.) entre a empresa de avaliação (ou avaliador) e o cliente poderá comprometer a independência da avaliação	avaliador	26	20,46	532,00
	gestor	14	20,57	288,00
	Total	40		