#04 Are valuers the weak link in digitalisation?

EVJ interviews Erik Schlooz, CEO of KATE Innovations[1]

Erik Schlooz

Michael MacBrien: How do you see valuation digitalisation today in your native Netherlands and across Europe?

Erik Schlooz: Ten years ago, the first lenders began requesting structured data rather than just a report in Word or PDF. At first, it seemed like a small step, but it marked the start of a larger movement toward comparable valuations. In several countries, valuation models have since been introduced as the de facto standard, driven primarily by the explicit requests of clients.

The problem? Many of these models are black boxes. They produce results but provide little to no visibility into how the calculations are made. For special asset classes, such as operational real estate, valuers sometimes need to use workarounds in input fields to arrive at realistic values. As a result, many firms still maintain their own Excel models as a control mechanism and the foundation of their valuation process.

In the Netherlands, three major banks jointly took the initiative to develop a single valuation standard that made everything comparable: calculation models, reports, and the underlying real estate taxonomy. It was an important step toward greater market transparency.

In other European countries, the situation is more complex. Dozens of lenders and stakeholders are often involved, making it harder to achieve a single uniform standard. Still, a clear pattern is emerging: 90% of the data points are the same across countries. The differences lie mainly in emphasis, such as Germany's 'Mortgage Lending Value' or specific sustainability requirements elsewhere. The expectation is that this movement will ultimately lead to a European data standard for the entire valuation market.

[1] KATE Innovations is a Dutch PropTech company that develops innovative software solutions for the real estate industry. Their platform helps valuers, advisory firms, and financial institutions streamline the entire valuation process, from request to delivery, making it faster, more transparent, and more compliant. They work with leading players in the real estate and finance sectors, such as Cushman & Wakefield, CBRE and Savills, who rely on their technology to increase efficiency and ensure high-quality, data-driven valuations.

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MM: What consequences do you see for the valuation profession?

ES: Valuers are lagging behind. For years valuers invested a lot to create the fastest word and excel modelling. These tools seem efficient, require no large investments, and fit the existing business model, but clients are moving on. Lenders no longer want valuations only as paper reports but as reusable data. They need to analyse valuations, monitor risks, oversee portfolios, and meet reporting obligations. Today, this often means valuations are retyped manually, an inefficient and error-prone process. The real question for valuers is: "How do I organise my own data, and can I deliver structured information alongside a report?"

MM: And how does your company help with that?

ES: The valuation profession is undergoing a rapid digital transformation. Modern valuation management systems allow valuers to structure their entire workflow and data, from conflict checks and instruction letters to the inspection process and the creation of reports in their own style. This makes it possible to achieve internal consistency while enabling data exchange with lenders as well as with public and private data sources.

This development ties directly into the acceleration we see on the side of financial institutions. Banks are increasingly automating the way valuations are reviewed and how assignments are distributed to valuers, often including the relevant data directly with the instruction.

As financiers continue to adopt such tools, valuers will no longer be able to ignore them. Digitalisation will not be optional but required. Embracing structured processes and interoperable data will be essential to ensure transparency, comparability, and efficiency across the valuation chain.

MM: It's understood that there's now a strong AI component to digitalisation and presumably your products integrate that. Can you explain?

ES: By structuring data in a consistent way, AI opens up a wide range of possibilities. On one hand, it enables the automated collection of information from multiple sources, forming the foundation for intelligent applications. At the same time, valuers retain the ability to apply their own prompts and professional judgement, ensuring that their unique expertise continues to play a central role.

Depending on the asset type, available sources, and location, up to 85% of a report can be pre-prepared automatically. This allows valuers to shift their focus towards risk analysis and interpretation, in other words, the substantive and engaging aspects of the profession. Early results suggest this can accelerate the valuation process by 40% to 60%.

Some practical examples illustrate what this means in practice:

- Smart analysis of lease information: Upload a lease contract and, within seconds, key details such as terms, rents, and conditions are extracted, validated, and ready for use in a valuation model.
- Enrichment of transaction data: Because datasets are often incomplete, AI can automatically gather and structure missing information, resulting in more reliable comparisons and stronger substantiation of valuations.
- Interactive report review: AI can act as a second reviewer, checking whether substantiation is sufficient, risks are overlooked, or reasoning lacks consistency. This improves report quality and provides the valuer with a critical digital sparring partner.

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MM: You're talking about valuation data exchange with lenders, but are they ready for this?

ES: With the introduction of Basel IV and CRR3, banks are required to report more extensively and in greater detail. At the same time, the concept of property value has been formally introduced. Yet, the processing and assessment of valuation reports is still often carried out manually. To meet these new regulatory demands, the quality and consistency of data is critical.

To support this, a European taxonomy is being developed, which will provide clarity on the uniform meaning of individual data points. This common language enables better comparability and ensures that reporting requirements can be met across markets.

For lenders, this creates a strong incentive to adopt systems that can standardise incoming information. A Valuation Assessment System allows lenders to receive and review valuation data in a consistent way, regardless of the layout or format of the underlying report.

For valuers, the implication is clear: those who work with systems that generate uniform data will be in a stronger position to receive assignments. Since much of the manual work on the lender's side disappears, uniform data enables more efficient and transparent assessments of valuations.

MM: You say that your smart analysis of lease information is directly usable in your "valuation model". What do you mean by that?

ES: New tools make it possible to use AI to read lease contracts directly and transform the information into actionable data. This data can then be linked to a tenant's creditworthiness, enriched with additional information from external sources, and seamlessly loaded into valuation models and reports.

The valuer remains responsible for verifying the information, but the process provides deeper insight into the tenant profile and potential risks. This not only strengthens the foundation of the valuation but also adds measurable value to the report.

Beyond meeting requirements such as those defined by TEGOVA, these tools open the door to offering additional depth and advice to clients. By combining structured data with professional expertise, valuers can move beyond compliance and provide richer, more strategic insights in their valuation reports.

MM: Your examples evoke a rich collaboration between your product and the valuer. How does that work? For instance, you say that AI can gather and structure additional transaction data. So, valuers first gather their own data and then turn to your product? Or is it the other way around with the valuer 'prompting' your product for input refinements?

ES: It is ultimately a combination of automation and expertise. By using AI to structure and analyse data, a large share of the underlying information can be generated and offered as suggestions. It is then the responsibility of the valuer to review and approve this input before it becomes part of the report.

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At the same time, valuers can apply their own prompts, ensuring that specific descriptions or company-specific insights are incorporated into the text. For example, a research paper can be linked and combined with selected internal or external data points to provide additional context.

What remains essential, however, is that the valuer must always be able to explain how particular values and conclusions were reached. The use of AI enhances efficiency and consistency, but professional accountability and transparent reasoning remain at the core of the valuation process.

MM: On your website you discuss the importance of the valuer approaching AI in the right way: "Not 'how do I make my job as easy as possible', but 'how can I make AI as practical as possible for my work and target group?'." How does KATE help with that?

ES: Of course, a default setup is provided to get started. Working with AI is a different way of thinking, and it takes some experimentation to find what works best for both the company and the valuer. We know what data is available in each country, and this knowledge is combined with client expertise to define the initial configuration, including prompts.

The implementation takes place in several stages, as companies usually gain new insights during the process about what is possible. Often, after just a few weeks, the question arises: *"If that can be done, then surely this can be done as well?"* This reflects a shift in mindset. The transition is guided step by step, ensuring that clients can both adopt the technology and learn to think differently about their processes.

MM: A lot of this seems to revolve around data exchange between valuers and clients. Can you elaborate?

ES: The guiding principle is that it is not the PDF report itself that matters most, but the underlying data. This shift enables seamless data exchange with both clients and data providers. For example, engagement confirmations from banks with basic property details can be received digitally and enriched with additional analyses. Similarly, sustainability partners can supply their reports, which valuers then verify during inspections.

A new platform has been developed where an EVS-compliant report can be pre-filled up to 80% before the valuer even reviews it. Local data sources are integrated directly, while AI tools provide further support. Importantly, the valuer always retains control: AI suggestions can be adjusted or overruled, as professional expertise remains decisive.

At the same time, changing banking regulations are forcing institutions to act on data compliance. While assignments and reviews are still often carried out manually today, the future lies in digital data exchange. Reports will be assessed largely automatically, accelerating processes and enabling deviations to be detected more effectively — forming the basis for a more meaningful dialogue between lender and valuer.

MM: That brings us to the heart of the matter. Up to 80% of the report is your product's 'suggestions' which the valuer can 'override'. I suppose in practice you mean override if the valuer's experience leads him to suspect that something's wrong, for instance with the estimation of value. But how does the valuer check your various inputs that led to the 'suggested' estimation of value? A selling point of your company is that your product is less 'black box' than an AVM. How exactly?

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ES: Transparency is a central principle: from prompts to calculation models and external data points, everything is visible to the valuer. This ensures that the system always acts as a supportive tool rather than a replacement for professional judgement.

Calculation models in particular are often a topic of debate, as every valuer may have a different view. For this reason, it is possible to upload or connect one's own models within the system. What remains essential is that the valuer must always be able to account for the conclusions in the report and the values assigned.

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MM: Your website states that by taking on the less noble tasks, your products give valuers extra time to work on "real craftsmanship". What are you thinking of?

ES: With the new programme, valuation reports can be completed up to 40–50% faster. Around 80% of the report is pre-filled, and this information is also accessible through the inspection tool. This enables the valuer to make adjustments on site, add photos, and have everything synchronised instantly with the report, avoiding any loss of time.

The more data is integrated into the system, the more efficiently the processes can run. Over time, this creates a compounding effect where both speed and consistency in valuations continue to improve.

MM: I can certainly think of one "real craftsmanship" area: ESG. Banks are under EU regulatory pressure to include this in their valuations, and they have duly passed it on to valuers. Under EU law and practice, it's mostly the 'E' in ESG, not just energy efficiency, but also information on flood, earthquake, biodiversity, soil degradation and forest fire risk. Does KATE have a way of pulling all that together so that the valuer doesn't have to waste time with multiple requests to local authorities?

ES: Across Europe, there is growing initiative around ESG data. In the Netherlands and Belgium, we are currently working with CFP[2]. In the Netherlands, 80 ESG data points are now mandatory as part of the valuation process. Of these, 63 are filled automatically, including data on sustainability measures.

[2] CFP Green Buildings is a Dutch-based sustainability consultancy and tool provider that helps organisations, banks, and building owners accelerate the transition to net zero and healthier buildings worldwide. They are active in 26 countries and combine digital tools, certifications, and consulting expertise to scale impact across millions of properties.

This level of integration is not yet possible in every country, which is why we invite local partners to work with us on optimising ESG data exchange across markets. Importantly, the impact on market value remains the responsibility of the valuer. While data supports the process, professional judgement continues to determine the final assessment.

MM: How do your products work on less sophisticated markets with less digitalised public information than in the Netherlands? Obviously, they take a hit, but are they still partially useful?

ES: A question I often hear is whether the entire process must run through the platform. The answer is that while KATE structures the complete workflow, it is also possible to configure individual components. The more data becomes available, the greater the acceleration in the process.

For example, the EVS are already embedded in the software, ensuring that every report produced complies with the required standards.

Looking ahead, we are actively seeking pioneers in each country to explore new possibilities together. We will also continue to make significant investments in this area over the coming period. Our message is clear: challenge us to push the boundaries further.