



3. Prudent Value - A Conservative, Risk-Adjusted Benchmark

Prudent value is a conservative adjustment of the sustainable value, rising more slowly and flattening earlier, while remaining consistently below the market value.

It accounts for uncertainty in the market, such as wide variation in comparable property prices, by applying a statistical safety margin.

Each prudent value is historically tested to determine its validity period – the timeframe during which it would have remained lower than market value. This gives financial institutions confidence that the valuation holds up over time.