

Title: The Accuracy of Nigerian Property Valuations Revisited

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Abstract: There have been increasing criticisms of the ability of Nigerian valuers to undertake investment valuations in a reliable and consistent manner. Prior empirical studies that have tended to investigate this claim have however been criticized as the valuers employed in simulated valuations of recently sold properties were not paid and did not inspect the properties. This study sought to examine whether valuers who carried out fully paid and fully inspected valuation assignments were able to do so in a reliable and consistent manner. To achieve this aim, the paper employed secondary data of the 131 Federal Government privatised properties which were valued by Estate surveyors and valuers before being sold. Data so obtained were analysed with the use of standard deviation and regression analysis. The results confirm that property valuations, even where they are fully paid for and fully inspected do not yet meet standards of reliability and consistency.

The study concluded that there is the need for the valuation profession to enforce the maximum margin of error, enshrine maximum acceptable margin of error of +/-10.2% in the future Valuation Guidance Notes, promote the use of valuation standards and ensure more rigorous training of valuers with a view to minimising the incidences of unreliability and inconsistency of investment valuation in the country.