**ANALYSIS OF ADHERENCE TO VALUATION STANDARDS AND PROPERTY VALUE CERTIFICATION BY ESTATE SURVEYING AND VALUATION FIRMS IN LAGOS, NIGERIA**

The issue of professional valuation standards and the quality of valuation reports has been the focus of considerable attention not only in Nigeria but also internationally in recent years. The aim of this study is to investigate the level of adherence to valuation standards and property value certification by Estate Surveying and Valuation firms in Lagos, Nigeria with a view to establishing a mechanism for improving compliance level to valuation standards and property value certification in Nigeria. A mix survey approach of descriptive and inferential statistics was adopted in collecting data for this study. The study was also complemented with the content analysis approach of valuations reports retrieved from the study area which was used to adjudge extent of compliance to property value certification with prescribed valuation standards. The data gathered through a structured questionnaire and content analysis of 100 retrieved valuation reports was also used. Result of analysis shows that the level of awareness to valuation standard was 97%. It further shows that the extent of adherence was 95%, while 26% do not use any valuation standard manual. Furthermore, 45% of respondents do not include property value certification statement in their report in compliance with minimum reporting standard. The study also revealed that the relationship between the level of adherence to valuation standard and property value certification have a strong positive correlation which interprets that the two variables are positively related and move in the same direction; but at slightly different magnitude. The study recommended that the regulatory body should follow up the set standards in the Green book by enforcement and imposition of sanctions on the erring members after maximum awareness of and use of the Green book must have been created among the members*.*

**CHAPTER ONE**

**INTRODUCTION**

**1.1 Background to the Study**

Matters relating to valuation standards and valuation reports nature have become the canter of substantial notice not only in Nigeria but also internationally in recent years. The first emergence of valuation standards nationally was an effort in addressing particular region period of monetary emergency established in property deals (Barry and Preston, 2005). It is for this reason among others, that valuers must be assisted through the valuation process in arriving at their valuation conclusions in an unbiased and impartial way as possible. This is the essential requirement for the improvement and adjustment of standards.

All-inclusive, the drive for standards and harmonisation which are generally adequate and applicable in professional practices has been the watchword for straightforwardness, consistency, soundness, comparability and uniform execution measures (Onuorah, 2009). In light of the acknowledgement to show significance of valuation benchmarks before regulators worldwide advancement of straightforwardness valuation, Nigerian Institution of Estate Surveyors and Valuers members now embraces international valuation standards in their practice as applicable globally (Adegboye, 2011).

The International Valuati0n Standard Council (IVSC) as a free non-benefit, private-sector organization that has the duty to serve the public interest came up with its objective to build sure and 0pen trust in valuation procedure that has made a framework for the delivery of dependable valuation conclusions via prepared valuation by skilled valuation experts behaving in a moral way. Incidentally, Nigeria have being one of the member countries of the International Valuation Standard Committee (IVSC), whereby maximum range of errors emergence in their valuation must be legitimately guided in terms of the acceptable and admissible percentage error (Onyeneke and Ekenta, 2018).

In Nigeria, NIESV burdened with duty of Estate Surveying and Valuation practice as experts having standards with guidance notes. The essential case of guidance n0tes 0n valuation in Nigeria came to being 1985 with a rethought in 2006, with its objective not completely achieved due to absent of far-reaching follow-up research to explore the level of Estate Surveying and Valuation Firms consistency with valuation standards at a National level (Gambo, 2014).

Odudu, (2015) advocated for a review and upgrade of the valuation standards currently being utilized by Nigerian Institution of Estate Surveyors and Valuers to international standards with need for Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) to urgently put in place a mechanism for monitoring and enforcing compliance. Babawale, (2012) also observed that professionals providing valuation services in the Nigerian real estate industry practice within a regulatory framework that was characterized by weakness in enforcing minimum standards and inability to keep pace with current trends, global best practices and international standards.

In spite of the existence of International Valuation Standards it has been seen that some countries where the profession has tried to enforce more rigorous mandatory standards backed by detailed guidance notes, Valuers still fall below the required standards (Wyatt, 2003).

As indicated by Babawale (2012), valuation standard serves as a professional benchmark or point making individuals provide a sustainable valuation in meeting financial rep0rting requirements f0r worldwide business class. The reason of the valuation standard in ensuring produced valuation reports maintain level benchmark of trust, plain and goals according to appropriate basis recognized for the specific reason. It is therefore evident that disp0sition 0f individual valuers with valuation firms would ultimately determine the full impact of the prescribed standards.

Based on this background the research work designed was for exploring need for enhancing the knowledge content and importance of valuation standards and property value certification with the sole aim of curbing old practices and suggest how best to undertake valuation practice to a globally acceptable level by Estate Surveying and Valuation firms in the nation.

**1.2 Statement of Problem**

The nonappearance of measures hints absence of demonstrable skill and establishes a potential wellspring of misuse, unremarkableness, carelessness and clashes (Babawale, 2012). Issues identifying with valuation norms accepted conspicuousness in the last quarter of the twentieth Century because of the monetary fiascos which was followed to a property-related exchange. All these property and monetary emergency were ascribed to low quality of valuation used to verify bank credits (Barry and Preston, 2005).

In Nigeria, regardless of the disappointment express by contract and money related establishments with the unwavering quality and consistency of valuers valuation practices, almost no exertion is seen to guarantee valuations by valuers are predictable, straightforward and adequate (Adegoke et al., 2011). While notwithstanding the 2006 Guidance Notes on valuation in Nigeria, the indiscriminate styles of completing valuation practice in Nigeria still continue (Odudu, 2015).

Valuation services provided within a regulatory framework by professional in Nigeria has been characterized by weakness in enforcing minimum standards and inability to keep pace with current trends, global best practices and international standards (Babawale, 2012).

According to Ajayi, (2009) many valuers do not have a copy of the IVS or NIESV standards, probably because they are not aware of either the IVS or the NIESV standards. This is ironic because every property value certification ought to be mandatory: This is to certify the valuation carried out was in accordance to valuation standards with NIESV 2006 guidance notes or some similar compliance statement where IVS was used.

The issue is likewise basic in light of the fact that the profession as it is today is confronting a firm challenge in all features of its conventional areas of practice, thinking about the way that the Engineers are fomenting to assume control over the plant and machinery valuation part of the profession (Ayedun, 2009).

Following the formal adoption of International Valuation Standards (IVS) in Nigeria aimed at instilling public confidence in the valuation process, there is a shortage of research on the degree of information and consistence of Nigeria valuers requirements of IVS which appears demanding is still very low among Nigerian valuation professionals. Therefore the research intends to investigate the extent Nigeria valuation practice and its compliance to international Valuation Standards and best practice.

**1.3 Justification for the study**

Standards in valuation as a study in Nigeria has been addressed in parts by the pioneering efforts of Aluko 2007, Ajayi 2009, Dugeri, Gambo and Ajayi 2012, Babawale 2012, Gambo 2014, Ayedun2016, Onyeneke and Ekenta 2018 and scarcely any others.

Similarly, Aluko (2007) maintained the ramification of the present pattern in mortgage valuation practice indicated that estate valuers are not reflecting fitting bases, technique and data contents in mortgage valuation. Ajayi, (2009) applied universal valuation gauges in the usage of the venture technique for valuation and in contract valuation and conclude that the awareness of and utilization of IVS (2007) and even the Standard and Guidance notes of NIESV (2006) is exceptionally low among Nigerian valuers and that no enforcement mechanism exists in the IVS for its standards.

Dugeri, Gambo and Ajayi, (2012) inspected degree 0f adhering universal standard valuation regionally which draws suggestions for applying IVSs within an increasing economies of Nigeria and uncovered that Nigeria as an emerging economy has not yet developed nor built up the requisite law and monetary detailing practice on which the IVS is built. Babawale, (2012) appraised the present standard professional valuation practice in the nation and investigation uncovered that the land valuation practice in the nation by and by misses the mark concerning universal guidelines and best practices.

Gambo, (2014) analyzed valuers reaction to valuation standards application in practice and findings uncovered 20% of valuers unaware about the existence of no valuation standards, while 54% consult none of the valuation standards manual in practice. Ayedun, (2016) maintained the prerequisite for adherence to professional morals and set of accepted rules by members of NIESV with the end goal for separating their presentation from those of non-members of the profession.

Orimalade, (2017) saw some Nigerian companies lack technical expertise to carry out certain jobs and financial muscle to secure necessary technology to carry out key valuation jobs while Onyeneke and Ekenta, (2018)surveyed the Nigerian valuation practice and compliance to International Valuation Standard and uncovered that Nigeria Valuation Practice has complied with the minimum standards in its reporting style/content by number of things as compared to Brazil, United States and the United Kingdom of which has provided better comprehension to improve the Valuation Practice as to build new certainty and trust in the profession.

The ongoing measures, as well as the suggested contributions, will yield the required developments in valuation practice standards only if member valuers and firms avail themselves of the impacts and are happy to receive vital changes by and by (Babawale, 2012).

Regrettably, earlier studies have pinpointed individual behavioural ways of the valuers as the main issue of valuation non-accuracy (Babawale, 2011), Wyatt (2003) even saw that in countries such as Britain where professions attempts to force progressively from compulsory standards backed up by definite guidance notes, valuers continue to drop beneath the prerequisite standards.

Furthermore, there is a developing interest for improved quality and straightforwardness in valuations and receiving universal benchmarks helps in fortifying and implementing the valuation assumptions exist and thereby elevate market confidence upon valuation process.

These kind of issues opened up hole to fill by fitting exploration from the viewpoint of the Nigerian estate valuation industry which this study tends to explore and improve to bridge the professional gap in Nigeria estate valuation by investigating adherence extent 0f valuation standards with property value certification presently attained and build recommendations towards improving degree of consistence to valuation standards and property value certification.

**1.4 Aim and Objectives**

The research aim is to investigate adherence level to valuati0n standards and property value certification by Estate Surveying and Valuati0ns firms in Lagos State with a view to setting up a mechanism for improving compliance level to valuation standards and property value certification in Nigeria.

In pursuit of this aim, the specific objectives of the study are to:

1. Identify valuation process employed by practicing Estate Surveying firms in Lagos.
2. Identify existing valuation standards with the extent of adherence by practicing Estate Surveying firms in study area.
3. Determine level of adherence to property value certification by practicing firms in study area.
4. Determine if extent of valuation standards adherence has a significant relationship with compliance to property value certification in study area.

**1.5 Research Questions**

The accompanying research questions are presented in the study:

1. What is the valuation process employed in arriving at a property value in Nigeria?
2. What is the existing valuation standards adhered in Nigeria?
3. What is the adherence level of property value certification in Nigeria?
4. What is the significant relationship between extent of adherence to valuation standards and compliance to property value certification in Nigeria?

**1.6 Scope of the Study**

Fundamental focal point of examination is to discover the current degree of adherence to valuation standard and property value certification practice in Nigeria. Be that as it may, time limitation does not take into account the inclusion of the whole country. Thusly, the degree of this examination was reduced to Lagos city whereby far most of Nigeria's valuation practice is created. The city in this way has the most elevated grouping of both providers and end-users for valuation administrations. Lagos city practice could along these lines be seen as reasonably illustrative of Nigerian practice.

The information for the examination is to a great extent got from private practice firms of Estate Surveying and valuati0n in Lagos that heads practice or valuation unit/office since they are in the dominant part and really the individuals prone to be adjusted with current patterns, practices and measures along these lines would give an increasingly sensible information to study.

**1.7 Significance 0f the Study**

Immense investigation of study is relevant to valuation and best practices as it attempt to investigate the level of standards presently attained by Nigerian estate Valuers in their valuations preparation with ultimate goal of ascertaining the extent to which Nigerian valuation practice is adhering valuation standards and property value certification and attempt to establish a mechanism for improving level of compliance to valuation standards and property value certification in Nigeria.

Along these lines, we can raise the degree of consistency and polished methodology, further reinforcing general society's trust in valuer activities. Finally, this investigation will be to a great extent helpful to specialists, understudies and educators of land and valuation instruction, valuation specialists and experts, administrative specialists and standard setters and every single other gathering in the valuation world.

**1.8 Limitation to Study**

Over the span of the study on the under-recorded limitations were experienced. This requirement includes:

1. Obliged material, human with money related assets transfer for researcher, this constrained restrictions on study inclusion.

2. Specialized portion of idea in the inquiries that was put across over to respondents required the analyst turning in utilization of individual meetings for specific respondents thusly adversely influencing the hour of the researcher.

3. The investigation of a few picked town and urban areas cannot be absolutely common of all town and urban areas in a nation as huge as Nigeria. Regardless, since the greater part of the Nigerian valuers total accumulate within investigation region, examination revelations were acknowledged to be material to the vast majority of valuers in the nation.

These requirements, regardless, would not by and large impact the after-effects of the study since essential precautionary measures were set up to counsel experienced experts who had drilled over the circles of Nigeria. Thus, the disclosures, recognitions and suggestions that oozed from the study could be attempted over the significant urban communities inside the nation and discovered important.

**1.9 Description of the Study Area**

The Study area is Lagos state, Nigeria. Lagos State being one of Nigeria's 36 states represents 37% area mass of Lagos State however has about 85% populace with a normal populace thickness of 20,000 people for every kilometer square. The city's current populace evaluated for 17 million and anticipated turning into the biggest third city on the planet continuously 2015 (Babawale, 2011).

Lagos state represented 11.7 percent which is N 1, 700.97 billion of national GDP next to the oil-rich city of Port-Harcourt in Rivers state. The state directions 65 percent of Nigeria's business exercises, 60 percent of national modern speculation and outside exchange, 40 percent of assembling esteem included, 48 percent of building and development exercises, and 55 percent of discount and retail exchange (Lagos Indicator, 2009) retrieved from (Babawale, 2012).

Lagos is viewed as the most suitable region for this study for various reasons. In the first place, notwithstanding Lagos being the seat for Federal Government that has now moved to Abuja. City of Lagos remains the country’s business operational hub, mechanical with property venture exercises. Lagos city with most dynamic property showcase most elevated normal property estimation and load of speculations (Babawale and Koleoso, 2006).

Besides, accessible information with administrative bodies, Nigerian Institution 0f Estate Survey0rs and Valuers; and the Estate Survey0rs with the Valuers Registration B0ard of Nigeria, indicated that the quantity of enrolled firms of Estate Survey0rs and Valuers in Nigeria from January 2017 has 840, with 354 (42 percent) having either their administrative office if nothing else branch office inside Lagos city (NIESV Directory, 2017).

The city along these lines has the most raised gathering of both providers with end-customers of valuati0n administrations. Lagos city practice could thusly be seen as reasonably illustrative of Nigerian practice.

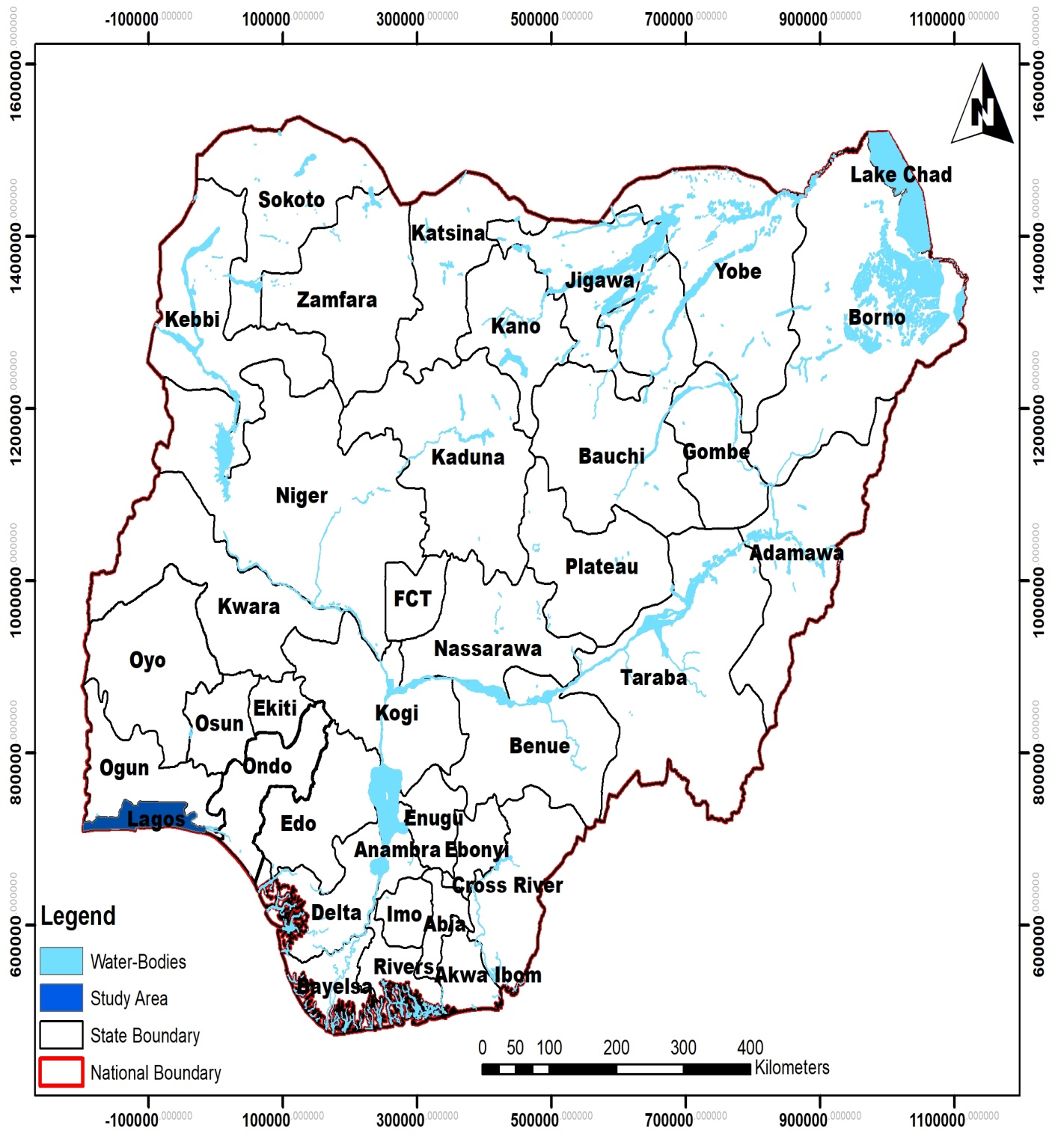
**1.9.1 Geographic Description**

Lagos is restricted onto Eastern and Northern of Ogun State in West, it offers outskirts with the Benin Republic, and its South opens into the Atlantic Ocean. With an all-out region of 3,577 square kilometres, Lagos metropolis is the littlest in Nigeria. In any case, unexpectedly, it is the most crowded state and it houses the biggest city in Africa. Tidal ponds and brooks take up an incredible 22% of the state's complete territory (Lagos link, 2017 Lagos State being Nigeria littlest state yet, the most noteworthy urban populace, which is 27.4 % of the national gauge [UN-Habitat]. As per the 2006 National Census, Lagos State has a populace of 9,013,534 in connection to the National check of 140,003,542. In any case, in perspective on the UN-Habitat and universal advancement associations' assessments, Lagos State is said to have about 24.6 million tenants in 2015. Of this people, Metropolitan Lagos speaks to over 85% on a domain that is 37% of the land area of the State, and the manner in which that Lagos masses is developing on various occasions snappier than that of New York and Los Angeles, and more than the quantity of occupants in 32 African nations joined, the State masses is required to hit the 35 million engraving in 2020.

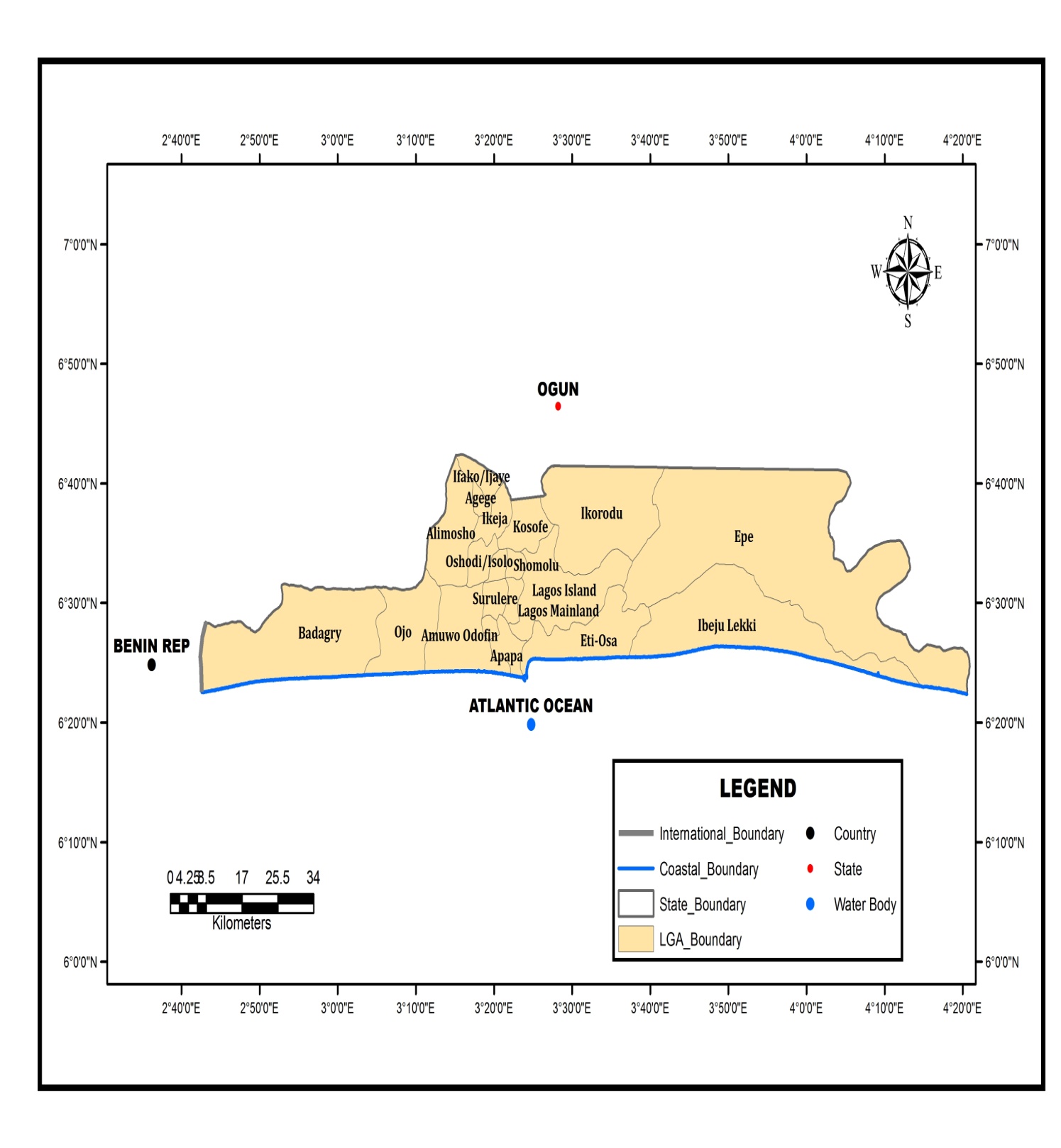
**1.9.2 Economic Base of Study Area**

Lagos State is a noteworthy financial focus of Nigeria. On financial mirror, city of Lagos developed being a little cultivating angling home turning into a significant focal point of trade, fund and oceanic in Nigeria, lodging the central command of a few banks, ventures and business undertakings

As indicated by the NIESV Directory (2017), majority of firms of estate surveying and valuation total in genuine commercial region within Lagos, for instance, Lagos Island, Ikeja, Lagos Mainland, Apapa with Victoria Island being area longing for an amazingly powerful property showcase.



**Figure 1.1:** Showing Nigeria with location of Lagos in the lower southwest corner. *Source: Federal University of Technology, Minna (URP Department), 2019*



**Figure 1.2:** Showing Lagos State, Local Government Areas

*Source: The Geospatial Analysis Mapping / Environmental Research Solutions, 2014*

**CHAPTER TWO**

**LITERATURE REVIEW**

**2.1 Introduction**

The focal point for this part acknowledges valuation standards and its potential advantages of best practice. Additionally, existing exploration works of different researchers regarding the matter are fundamentally inspected and furthermore draw out some core values mainly Internati0nal Valuati0n Standards and additional reference to Royal Institute of Chartered Survey0rs (RICS) Appraisal and Valuation Standard Red Book), as they identify with general standard and practice along national, local with global limits.

This section also provides a concise review of valuation benchmarks worldwide with the entire study is built which this chapter is rounded up with the identification of knowledge-gap in the area of study.

**2.2 Conceptual Framework**

The main objective of any valuation assignment is the determination of value. Since this study is on valuation standard and property value certification, it therefore examines the concept of valuation and the relationship between valuation standard and property value certification in the determination of value. It also previews concept of valuation process, valuation standards and valuation reporting standard which are all required for valuation best practice.

**2.3 Concept of Valuation**

The valuation word can be used to insinuate the assessed worth (the valuation end) or to suggest the availability of the surveyed worth (the show of regarding). In these benchmarks it should all things considered be evident from the setting which centrality is arranged. Where there is potential for perplexity or a need to make an unquestionable capability between the elective ramifications, additional words are used (IVS Exposure Draft, 2010). This is the exhibit of regarding or choosing the worth or worth, a specific show of working up or evaluating the expense of a favourable position or property, for instance, land or thing/item by its decently assessed worth. It can in like manner seen as worth arranged on top a thing, esteem surveyed with chose advertise regard; assessment value (Ifediora, 2009).

Millington (2006), characterizes Valuation as "the artistic study in examining enabling specific incentive behind a particular enthusiasm for asset at a particular time, thinking about of property features and moreover looking into concealed budgetary factors for market with an extent elective venture".

**2.4 Property Value**

The meaning of property estimation endures a similar destiny as general meaning of significant worth on the grounds that there has not been a definition that is fitting to all types of qualities that can be gotten from property. The significant explanation behind this is estimations of properties rely upon the reasons for valuations and nature of such properties (Olayonwo, 2012).

Bankrate, (2019) alludes to property value as the value of a bit of real estate and dependent on the value that a purchaser and dealer concur upon. According to financial hypothesis, the estimation of a property joins at the point where the forces of supply fulfil the forces of interest. Thusly, the estimation of a property at some random time is directed by what the market will bear.

**2.5 Property Valuation Practice**

Property valuation has been described as cornerstones of the real property center, which thus is a crucial piece of any cutting edge economy (IVSC, 2010). It gives guidance on potential buys, deals and delivers material data in strengthening the property loaning choices. A solid and steady valuation report gives a significant degree of expert protection of property creators against dangers with wrong investment choices. Thus, the need to guarantee high expert valuation measures including great reports has gotten overall consideration (Adedamola, 2008).

As per Wyatt (2007), attributable defects with wasteful aspects of property showcase, the valuers here is required sizing up an incentive by evaluation of significant worth deciding variables based on mastery and skill. These components characteristically emotional which various Valuers apply to some degree diversely when tackling a similar valuation issue.

Clarifying further, Wyatt (2007) sees that Valuers use and decipher past data to get at current worth, despite the way that this data/information are not really static. Along these lines Valuers work without ideal information available, adhering to customer directions to manage a heterogeneous item in which exchanges happen at costs that frequently do not speak to advertise values. Consequently, it is seen practically speaking, valuation of any similar property with various Valuers is not equivalent or essentially be liken to the concurred trade cost.

Property valuation practice terms alludes procedure nor process for evaluating otherwise surveying fiscal value or estimation of specific enthusiasm for asset as well as landed pr0perty f0r a particular reason, for a specific area within specified time period (Akinjiyan, 2014).

The significant number of checks and balances why asset 0r pr0perty valuati0n practice are left on top among were;

1. Purchase/sales
2. Compensation
3. Auction
4. Insurance
5. Rating as well as Taxation
6. Probate
7. Balance sheets
8. Mortgages
9. Going concern
10. Lending progression

Before attempting to carrying out valuation task, selected estate surveyor and valuer for the task is obligated by building up explanation nor reason why the property valuation practice are required all things considered by this he/she will have the option to apply the necessary premise of significant worth and vital valuation techniques in landing at his/her assessment of significant worth.

Ordinarily, there are 5 diverse valuation strategies utilized by professional Estate Surveyors and Valuers carrying out genuine valuation report practice were;

1. Comparative/Comparison Approach
2. Cost/Contractor's Method
3. Residual Approach
4. Investment Approach

At least one out the five traditional valuation techniques utilized by Estate Survey0rs and Valuers who carries out valuation and report practice in reaching appropriate assessment for the evaluated the estimation of property dependent on individual caution, understanding with abilities (Akinjiyan, 2014).

**2.6 Valuation Process**

Valuation process is a deliberate method valuer pursues in giving answers for customer's inquiries concerning genuine property valuation. It is a model that can be adjusted to a wide assortment of inquiries that identify with esteem.

Appraisal Institute, (2012) expressed that the valuation procedure starts when the valuer consents to take a task and closures when the finishes of the valuation are accounted for to the customer. Every property is exceptional, and assessments of a wide range of kinds of significant worth can be created for a solitary property. The most widely recognized valuation task is performed to render an assessment of market esteem. The valuation procedure contains every one of the means proper to this sort of task. The model likewise gives the system to build up an assessment of other characterized values.

In assignments of building up an assessment of market worth, a definitive objective of the valuation procedure is an all-around upheld worth end that mirrors all the appropriate components that impact the market estimation of the property being esteemed.

Ifediora (2009) recognized that in the advancement of the valuation/evaluation rehearses, there has been an impressive difference in the perspectives on Valuers with regards to the total ideas, proof and technique utilized in setting up esteems as every valuer will, in general, create an impeccable his/her own specific methodology. Thinking about the dissimilar idea of valuation issues, contrasts in valuation systems and preceded with endeavours coordinated towards the foundation of a wide and satisfactory structure for valuation strategy, it is protected practice to talk to a greater extent a valuation procedure than valuation methodology.

Otegbulu (2012) featured valuation procedures that;

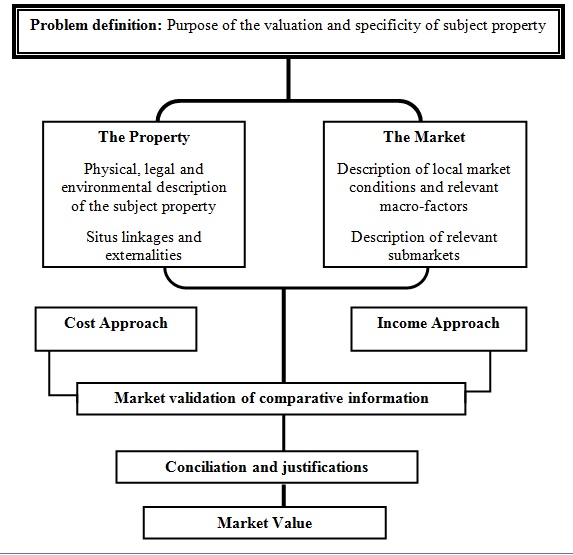
1. Valuers set up extension, premise or rather bases of valuati0n;
2. Valuers should articulate timetable for resources that are esteemed;
3. Valuers must establish that considered; with
4. Valuers taking advantage of utilizing fitting technique/method for proper bases or premise

Be that as it may, the initial move taken for investigation/overview of assets being esteemed stock-taking as principal valuation procedure that frames fundamental part of the valuation task that works.

Ifediora, in any case, detached four principles arranges in the valuation procedure;

1. Definition of issue: this involves building up customer's necessity, recognizable proof of property/assets, the reason for the valuation and the kind of valve pointer that fulfil reasons, valuation extent which advises monstrosity of research done with powerful date of valuation assurance.
2. Information program: the endeavours including different powers may possibly have a comparative and bearing with valuati0n objective, regarding valuation matter as explicit local information, general/national information and worldwide or universal information.
3. Determination of significant worth, through the perseverance use of the fitting method(s) or approach(es), in order to give an answer for a valuation issue.
4. Valuation report: this last phase of the examination/valuation process is the issue replied, the information looked into and dissected, methods applied, suspicions embraced to the end. Report for the valuation is a substantial articulation of valuer's assignment. Is a way by which Valuers satisfies their concurrence with customer for that they are qualified to singularly take charge.

Fischer (2002) underscored on 3 primary inquiries that should be replied in the valuation procedure. It is a direct exercise which three inquiries must be replied; a what, a how, lastly a how much question. With the goal for Valuers to create valuation reports, there are a few stages that should be pursued which are represented in Figure 2.1.



**Figure 2.1:**The Valuation Process

*Source: Fischer, 2002*

**2.7 Contents of Valuation Report**

Property valuation validation rather report, seen as an expert legitimate record explaining thorough with diagnostic procedures attempted when doing a property valuation exercise and which shows very much definite and huge data used in the examination that prompted the assessment of significant worth been arrived at by registered and skilled Estate Survey0r and Valuer.

Going with things/parts must be found in a property valuation practice report before it can viable just as viewed as an expansive expert archive composed by an equipped and expert Valuers who are individuals from NIESV and moreover properly enlisted by ESVARBON to complete the professional valuation task in Nigeria.

Also, international valuation reporting standards (IVS 103 of 2011), valuer carrying out valuation and likewise reporting value estimate incorporating referenced by issues recorded beneath;

1. Status and Valuers identification

2. Client identification and any other intended users

3. Valuation purpose

4. Asset identification with liability to be valued

5. Basis for the Value

6. Valuation Date

7. Investigation Extent

8. Source and nature of the information relied upon

9. Special assumptions or consideration

All suppositions and any unique suspicions caused must to be unmistakably expressed.

1. Restrictions on use, circulation or distribution Where essential rather attractive in limiting valuation utilization and ones depending onto it, which must be expressed.
2. Confirmation of carried out valuation in accordance to recommended international valuation standards.
3. Valuation method and thinking
4. Valuation amount or valuations
5. Valuation report date

It is, regardless, crucial to movement of international valuation standards which valuation carried out in consistence is given from genuine with capable expert valuers, free from, inclination rather individual condition, with clearer reports that would not mislead, likewise divulge issues basic for correct appreciation for the valuation (NIESV, 2006).

The components/things identified above are what make up a detailed and thorough genuine property valuation report. An expert land and property valuation report involves the conclusive outcome of an exhaustive procedure of social event, requesting, examining, computation and examination of information from expert valuer in landing at the significant assessment worth of property after been checked on esteemed with outcome basic for customer.

In realising cash related property worth estimation of any kind and for whatever purpose. It is required likewise important with reliably set out in the administrations by Estate Surveyor and Valuer as expert that must have prepared the workmanship and study of estate surveying and valuation just as fittingly enlisted by ESVARBON by means of the NIESV in carrying out reviewing and valuation practice.

**2.8 Concept of Standard**

The Advanced Learner’s Dictionary (sixth edition) characterises a standard as level of value or quality that is typical and acceptable for a specific person(s) or in a specific circumstance, or a degree of conduct that a specific person(s) considers to be ethically satisfactory (Hornby, 2000). Standards subsequently contain professionalised information with other prescribed material required for use dependably if all else fails when in doubt, process and definition are arranged at the extend of rearranging unwavering quality, closeness with suitability for the administration (British Standard Institute (BSI) 2006).

The requirement for measures in land valuation calling is depended on various reasons. In the first place, (Barry and Preston, 2005) noticed that valuation principles originally rose from the local level in an offer to address nearby monetary emergency which had establishes in related exchanges. A run of the mill model that promptly strike a chord incorporates the money related and property showcase breakdown UK mid-1970s and 1990s uncovered irregularity with varieties of way in dealing with property valuation, coming about in endlessly unique and regularly ridiculous figures for comparable resources. Among others, the downturns provoked premiums in elective valuation systems which birthed such increasingly level-headed and express models as the adjusted all-chance yield and the limited income (DCF).

**2.9 The Importance of Standards in Real Estate Valuation**

The requirement for standards in valuation profession depends on different reasons. In any case, Barry and Preston, (2005) noticed that valuation standards originally rose nationally in offering presentation for local monetary emergency that had been established on property-related exchanges. A typical example that promptly strike to mind incorporates the money-related and property advertise UK’s breakdown in the mid-1970s and 1990s uncovered irregularity with wide assortments in form of dealing with valuation of property resulting in endlessly unique and often unrealistic numbers for comparable assets. Around others, the downturns provoked premiums in alternative valuation approach which birthed increasingly level-headed and express models as the adjusted all-chance yield with discounted cash flow.

Royal Institution of Chartered Surveyors (RICS) in like manner answered selected research movement including Mallisson (1994) while 1985 period delivered Appraisal and Valuation template, conversationally alluded to Red Book (French, 1996). Likewise, the "speculation assets with advances" disasters which shook US’s budgetary with property advertises during 1980 period incited an administrative intercession, which commanded the US examination calling to present a uniform Appraisal Standard (Yovino-Young, 1997).

McParland *et al*., (2002) moreover observed presence of property execution performance arrangement is shown to be the primary thought influencing the harmonization of valuation procedures and benchmarks. For instance, the US National Council for Real Estate Investment Fiduciaries (NCREIF) has added to the improvement of land models in the US through its quarterly property record which shows land execution returns used as an industry benchmark to think about theorists guarantee return against the business ordinary (Milgrim, 2001). IPD/Drivers Jones (directly IPD/RICS), Lang Lasalle Property Performance Analysis System (PPAS), had all segment of the UK's noticeable accomplices.

Ongoing improvements of financial world advanced Basle Accord for bank regulations; with improving need in observing International Accounting Standards were different components which made the requirement of basic valuation standards progressively dire with conviction Milgrim, (2001) saw developing worldwide customer driven international standards for accounting, banking with valuation. This will be utilized for crediting purposes, money related uncovering of worldwide associations, cross-periphery property theories execution correlation or securitization of land, can as such be conveyed exceptionally by a valuation calling that fits in with universal gauges of expert training, capability and practice.

With the past starting from 1970, national valuation norms development watches out for neighbourhood state and practice. Models incorporate RICS "Red Book" from UK, Unif0rm Standards Pr0fessional Appraisal Practice from the US Appraisal Foundation, and finally Professional Practice of the Australian Property Institute.

Furthermore there are global and regional valuation measures that have created cross-outskirt consideration venture while property dealings are proposed in relation to most various national norms. Prominent national valuation measures joins approved Eur0pean Pr0perty Standards transferred with permission from the Eur0pean Gr0up of Valuers Associati0n (TEGOVA); Asian Valuers Ass0ciation (AVA); and the Uni0n of the Pan American Valuers (PAV). Worldwide level for Internati0nal Valuati0n Standards (IVS) first circulated in 1985 for snappy transformation into a reference report for valuation of property world over.

**2.10 Meaning of Valuation Standard**

Professional practicing, guidelines are rundown of credible practice provided in guaranteeing indecisive quality, viability with similarity among given administrations (Onyeneke and Ekenta, 2018). The utilization of valuation standard has drawn an extremely clear qualification between its professional and the non professional approach. The absence of standard will in this way connote lack of professionalism as such constitute abuse, mediocrity, complacency and conceivable clash (Babawale, 2005). As demonstrated by Ajayi (2009), Valuation benchmarks are quality control standards (required guidelines, credible practice course and related editorial) prescribed to valuers under the extent of valuation administrative body with the most proficient method to undertake and report valuations particularly those that will be relied on by worldwide financial experts and other third party partners.

Specifically, valuation guidelines set up to fill in as professional benchmark or signal empowering individuals to give a solid valuation that meets monetary reporting prerequisites of a business arrangement. Valuation standards are required to remove or if nothing else decreases perplexity, clashes and inadvertent misconception among market administrators (IVSC, 2003).

The plan of individual ensuring valuations conveyed accomplish select necessity for uprightness, clearness with objectivity that are represented according to apparent bases that are legitimate for that reason (Babawale. 2005). Measures are constrained by individual internal voice, by national master foundations or by law. (Babawale, 2005; Babawale and Koleoso. 2006; Ogunba and Ajayi, 2003, 2007). Babawale (2005) dissected and for the most part kept an eye regarding the matter of standard in land valuation in Nigeria; while Ogunba and Ajayi (2003, 2007) endeavoured to check the reaction of Nigerian Valuers to expanding clients "sophistication in financial specialists "prerequisites to the extent valuation precision, mental stability, and danger investigation.

A complete target is to discover how much Nigerian valuation practice is responding to global standard and best practices from the point of view of straightforwardness, practicality and consistency. Such assessment is needful given the central piece of strong valuations in the general working and capability of the investment and cash common markets. Invigorating step in globalization of theories publicize moreover lowered the prerequisite for predictable valuations, direct and is speedily appreciated, material and recognized generally (IVSC, 2003).

**2.11 Form and Contents of Valuation Standards Manual**

Regardless of national, territorial and global height, standards objective in valuation is equivalent. Main goal in fabricating assurance and open trust in valuation strategy was making arrangement for conveyance of credible valuation conclusions sensibly arranged specialists performing in an ethical manner (IVSC, 2011). The intension of ensuring valuation finishing with customers and just conveyed according to best practice and universally saw standards with obligations put on individual Valuers holding quick to these gauges with a suitable endorsement by uprightness of material burst (RICS, 2010).

Valuati0n norms are not all that essentially stressed over valuation speculation and procedures but with system of creating on including social gathering, interpretation with itemizing data critical to the task of valuation (IVSC, 2003). Orchestrated structure measures for carrying out and conveying valuations for various purposes yet do not get ready Valuers on the most expert strategy to regard, rather dissect valuation procedure or frameworks (RICS, 2010).

Creating qualification in the middle of valuation benchmarks in addition to strategies, Edge (2002) saw dynamic techniques, changing with need, plan, request with logical methodology acquired from various fields; rules ought to be predictable, credible standard practice. Valuation measures get capable thoughts together with sensible needs of the business focus. Barely any national models oblige the codes of professional ethics or make an overview with execution strategies inciting loss or control of professional affirmation for people who disregard either the benchmarks or related good course of action.

**2.12 The Valuation Standard Setters**

Are professional bodies with standards that are various as quantity of their individuals would before long loose trustworthiness and relevance? In this way, professional both at the local, national or worldwide level has continually been pushing and arranging benchmarks for their individuals practice. In specific purviews in any case, nationally valuati0n benchmarks set up by regulators or rather associations such as Germany where norms with rules of valuation are very much settled nationally with government authorizations. Various countries like US, valuation benchmark practice has collectively been an exertion of expert associations working with the supervision of focal administering organizations (Babawale, 2012).

Broad and significant level meetings were needed in creating valuation benchmarks which would stand the trial of time, furthermore acknowledge expanse acceptance. For instance, IVS speaks to the total work of the IVSC divided committees including experts to IVSC, and those agents of various regional valuation affiliations. Divided committees work with scarcely any expert consultation gatherings in making recommendations for areas, for instance, lending purposes valuation and valuation for open division assets. The divided committees lead extended activities incorporating people talking together with invited constituents focused on dialogs of specific explicit clients or client gatherings (IVS, 2011). The divided committees also work among other standard setters especially in the territory of bookkeeping, banking with money. It is via these links that IVS acknowledges worldwide with provincial request today (Milgrim, 2001).

The IVSC is now quickly becoming strong house in setting up valuation benchmarks with its impact getting progressively extended, immersing existing local and territorial benchmarks. Between all others, IVS prescribes for valuers to be seen settling on their choices which advances straightforwardness that limits impact at all with abstract effect on approach (IVS, 2011). This requires valuation reports making references to philosophy with approaches received, whereby key information sources utilized with the central purposes behind the outcome (IVS, 2011).

Valuation reporting (IVS, 103) accentuates equivalence, importance and credibility. It further requests that valuation reporting will arrange sensible with exact portrayal of the extent of the undertaking, its motivation and proposed use, attestation of the premise of significant worth utilized and revelation of any suspicions, unique presumptions, material vulnerability or constraining conditions that straightforwardly impact the valuation (IVS, 2011).

**2.12.1 International Valuation Standard**

International Valuation Standards Council (IVSC) a free, non-income driven association focused on impelling quality into valuation profession. Her essential target constructing assurance with valuation has open trust by creating norms and verifying their comprehensive determination utilized for valuing of assets worldwide. The acknowledgement of International Valuation Standards (IVS) is an important part of the monetary related framework, alongside elevated levels of demonstrable skill in applying them (IVS, 2017).

Valuations are broadly utilized and relied on in money related and different adverts, regardless of or incorporation in monetary summaries, for administrative consistence or help verified loaning and value-based action. International Valuation Standards (IVS) are benchmarks for carrying out valuation tasks utilizing commonly perceived ideas and rules that advance straightforwardness with consistence in valuation profession. IVSC additionally advances driving training approaches for direct and competence of valuers in the profession (IVS, 2017).

The IVSC Standards Board being a body obligated in arranging IVS. While the Board having independence with motivation advancement and confirmation the circulations. For building up IVS, the Board will:

1. Follow set up fair treatment in improving any new standard, incorporating meeting with partners (clients of valuation administrations, controllers, professional valuation associations and valuers) then open introduction with every new single standard or material modifications to existing principles.
2. Liaise among different bodies having a standard-setting capacity in the money related markets,
3. Conduct outreach exercises incorporating get-together exchanges plus welcomed members and focused on discourses to explicit clients rather client gatherings.

IVS’s goal is to build certainty and belief that valuation clients benefits by setting up straightforward reliable valuation practices.

The standard does at least each one accompanying:

1. Develop or Identify internationally acknowledged standards and definitions,
2. Identify and proclaim contemplations in carrying out valuation tasks and valuations reporting,
3. Point out explicit issues which require thought with techniques ordinarily utilized in valuing various kinds of assets.

IVS comprises obligatory prerequisites pursued to express that valuation has been carried out in consistence to IVS particular parts in the guidelines which guide does not command a certain game-plan, yet give crucial vital standards and ideas mostly carried along when undertaking a valuation task.

IVS is orchestrated and pursues:

1. **IVS Framework**

This fills in as an introduction to IVS. The Framework of IVS comprises general standards valuers require and follow with respect to objectivity, judgement, capability with satisfactory takeoffs from the IVS.

1. **IVS General Standards**

Standards put forward necessitates provide lead for all the valuation tasks with the setting up conditions for valuation commitment, significant worth, estimation techniques, strategies with reporting. All planned to be appropriate to a wide range of assets valuations and for any valuation reason.

1. **IVS Asset Standards**

Asset Standards incorporate necessities identified with explicit kinds of advantages. These necessities must be kept identified with General Standards when carrying out a particular asset valuation type. The Asset Standards incorporate certain foundation data for each quality asset type which impact value and extra asset-explicit prerequisite in regular valuation methods and approaches utilized.

Changes in the future of these Standards, The IVSC Standards Board plans to ceaselessly survey and update rather explain these standards as expected in meeting stakeholder and market wants. The Board also have proceeding with tasks that might lead to more standards as acquainted or revisions made with the measures in the publication at any time (IVS, 2017).

**2.12.2 The Royal Institution of Chartered Surveyors (Red Book)**

The Royal Institution of Chartered Surveyors Standards or the Red Book has eluded; frameworks of regional standards of United Kingdom and also with considerable impact worldwide and commonwealth specifically.

Reviewing the Red Book; the United Kingdom fascinating circumstance of grasping the IVS was done in that capacity in 2014 version. As such, has gotten proliferation of IVS just at both Global and UK express benchmarks. The Red Book with six overall valuation norms upgrading IVS with pertinent inside RICS part nations and four explicit valuation standards significantly simply inside the UK, with each standard commonly joined by standard or brief proclamation and a related article to help progressively broad translation with application.

The overall Valuation Standards (VS) closes: consistence with moral fundamentals (VS1), understanding terms of duty (VS2), significant bases of worth, questions with astounding suppositions (VS3), applications – includes joining valuations to money related reports, confirmed advancing or open bit asset for financial itemizing (VS4), appraisals – including assessments and check of data (VS5), valuation detailing (VS6). The Red Book is regularly overruled in close by spaces where it is important to complete neighbourhood measures authorizations (RICS, 2014; and Fernandez, 2006).

Anyway, it is crucial that valuation measures VS 1 to 6 of 2011 version have looked to combined with Global Professional Standards (PS) and Global Valuation Practice Statements (VPS) of 2014 version in improving clarity, ease of use and keep up a vital good ways from excess as to guarantee a solid structure for consistence, reliability with effective practices when executing in addition carrying out valuation undertakings.

The RICS proficient rules are made out of: PS1 (consistence with benchmarks and practice where a made given valuation) and PS2 (morals, competency, objectivity and exposures). The overall practice announcements are: VPS1 (least terms of duty), VPS2 (surveys and assessments), VPS3 (valuation reports), VPS4 (bases of critical worth, suppositions, and intriguing presumptions). The worldwide Valuation Practice Guidance – Applications (VPGAs) include: VPGA1 (valuation for thought in spending synopses), VPGA2 (valuation for confirmed progressing), VPGA3 (valuation of business and business premiums), VPGA4 (valuation of specific trade related properties), VPGA5 (valuation of plant and equipments), VPGA6 (valuation of elusive resources), VPGA7 (valuation of individual property including articulations collectibles), VPGA8 (valuation of portfolios courses of action and social events of properties), and VPGA9 (valuation inside business territories: assurance and vulnerability).

**2.12.3 The European Valuation Standards (EVS)**

Fundamental territorial resource Valuation Standard was open in European Valuation Standards (EVS) as set in accordance with the European Group of Valuer's Association (TEGoVA). These are basically like a gigantic degree to the IVS paying little mind to the route that with contrasts in plan and relationship of presentation in addition to last update in 2016 (Eight Edition).

The EVS 2016 gives a synchronized European standard, heading into concentrated data for use of all portions of the European valuation calling, with corporate association likewise good musings in addition settled in, is isolated into four far reaching parts.

Segment 1 contains the five measures of valuation measures with ten European valuation course notes. To a restricted section 1A where European valuation stands: EVS 1 (showcase worth), EVS2 (valuation and bases other than advertise worth), EVS3 (affirmed valuers), EVS, EVS4 (valuation system) and EVS5 (valuation with reporting). In 1B are European Valuation Guidance Notes: EVGN1 (valuation with a definitive goal of monetary detailing), EVGN2 (valuation for crediting purposes), EVGN3 (property valuation for securitisation purposes), EVGN4 (evaluation of insurable worth and damages), EVGN5 (assessment of speculation worth), EVGN6 (cross-outskirts valuation), EVGN7 (property valuation with deference elective store boss' directives), EVGN8 (property valuation and essentialness capacity), EVGN9 (EMF (European Mortgage Federation) with TEG0VA advance assurance), EVGN10 (valuation: consistence and EVS).

Segment 2 includes European Code (EC): EC1 (European Valuer's Code of morals and direct), and EC2 (European Code of Measurements), while segment 3 courses of action with European Union (EU) approval and its effect on property valuation. Segment 4 contains eight specific records known as European Valuation Information (EVIPs). These includes: EVIP1 (supportability and Valuation), EVIP2 (Valuation affirmation and market probability), EVIP3 (division of important worth among land and structures), EVIP4 (valuation and different issues for broken property charge purposes), EVIP5 (Valuation Methodology), EVIP6 (Automated Valuation Models (AVMs)), EVIP7 (European property with market rating: a valuer's guide) and EVIP8 (reasonable worth estimation under IFRS 13). Rather than being a standard setter, TEGOVA besides enables and unites (63 National valuers' affiliations inhabitants in 34 nations of the world with more than 75,000 qualified valuers) an European valuation first class by yielding the Registered European Valuer (REV) and TEGoVA Residential Valuer (TRV) titles while guaranteeing high Pan-European degrees of getting ready and ethics with its base Educational basics and European Valuers Ethics and Conduct Codes.

IVS with EVS practically are identical to major benchmarks, in any case, the European practice concentrates primarily around the European training and sanctioning and the standard that totally sticks to the structure of EU laws with rules and the IVS gives worldwide guidelines by definition is progressively traditional in nature considering the way that certainly not alone standards that fits different regional and national practices (EVS, 2016 and Fernandez, 2006).

**2.12.4 The Uniform Standards for Professional Appraisal Practice (USPAP)**

Uniform standards for professional appraisal practice (USPAP) established under appraisal standard board (ASB) of the appraisal Federation (TAF) USA is just not the US national Standards yet moreover is applied in Canada similarly as having a sensible level of impact in a nations, for example, China, Germany and some Asian and Pan American nations. The assessment foundation with IVSC has been teaming up for a broad timeframe having seen valuation open trust profession has improved by having a customary game-plan of valuation benchmarks. Various qualifications found between IVS and USPAP in any case; generally shallow are relied upon, as it were, to contrasts in presentation and association. A part of the differentiations are unavoidably required in a manner in which IVS must pertinent be over the world, while USPAP is expected use in US and necessities in reflecting US law and practice.

Reason of fundamental valuation standards practice resemblances, appraisers recently adjusted with the USPAP normally get IVS easy to adhere with. USPAP are part of the five key areas explicitly; definitions, prelude and rules (which supervises expansive ethics and due consistency required in a property assessment), measures and rules regulates (section that gives appraisers point by point data on the most proficient system to manage on the most ideal approach to lead an appraiser and what gives the appraiser should review for their report), and articulation on assessment evaluation models (S.M.Ts) which are endorsed by the by-laws of the assessment foundation that are explicitly made with a definitive target of explanation, interpretation, clarification or elaboration of the USPAP.

Altogether, it is ten USPAP Standards;

1. First Standard - Real Property Development Appraisal,
2. Second Standard- Real Property Reporting Appraisal,
3. Third Standard - Review, Development and Reporting Appraisal: this blueprints the necessities for the advancement and correspondence of an examination survey.
4. Fourth Standard - Real Property Development Appraisal Consulting.
5. Fifth Standard - Real Property Reporting Appraisal Consulting.

(Fourth and fifth standards overviewed necessities of the communication of an appraisal consulting assignment).

1. Sixth Standard - Mass Appraisal, Reporting and Development, which impacts the necessities the development and correspondence of mass appraisal.
2. Seventh Standard - Personal Property Development Appraisal,
3. Eighth Standard- Personal Property Reporting. Appraisal

(Seventh and eighth standard set up the prerequisite in the development and correspondence an individual property appraisal like plant and machinery, gems, and pearls, compelling artwork and collectable).

1. Ninth Standard - Business Development Appraisal,
2. Tenth Standard - Business Reporting Appraisal.

(Ninth and tenth standard outlined essentials for progression with correspondence of business and unimportant asset assessment).

USPAP present discharge, 2016-2017 has ten S.M.Ts which fuse;

1. SMT I: Review Appraisal- explanation of remark on standards rule.
2. SMT II: DCF investigation (In genuine property)
3. SMT III: Retr0spective worth sentiments (In genuine property and individual property).
4. SMT IV: Prospective worth alternatives (In genuine property and individual property).
5. SMT V: Privacy region of the morals rules.
6. SMT VI: Reasonable Opening Time in Real property and assessments of significant worth individual worth.
7. SMT VII: allowed takeoff from explicit necessities in genuine property and private property examination assignments.
8. SMT VIII: Transmission of reports electronically.
9. SMT IX: Identification of anticipated use and arranged customers.
10. SMT X: Assignment for utilization by a Federally Insured Depository Institution in a Federally Related Transaction (Fernandez, 2006; RICS, 2014, USPAP, 2016-2017).

**2.12.5 The Australian and New Zealand Property Valuation Standards (ANZPVS)**

Expert practicing rights now inside Australian and New Zealand Property Valuation Standards (ANZPVS) are finished arrangement for national Standards of Australia and New Zealand commonly. It merged IVS totally to development that various norms and rules which are basic in Australia and New Zealand setting. ANZPVS are organized and gave from Australia Property Institute (API) and Property Institute of New Zealand (PINZ).

ANZPVS normally surmises and advance stage in the harmonization of valuation and veritable property benchmarks for Australia and New Zealand mirroring the proceeded with development unto IVS. Additional data required helping people meet nearby valuation and property reporting essentials interceded inside IVS.

The ANZPVS involves ethics and rules of practices code for two API and PINZ. IVSC's valuation standards, valuation applications and International Valuation Guidance Notes (IVGNs) are detectable portion of the ANZPVS. Are fifteen in total of IVGNs and one API and PINZ practice standard (ANZPVS 1, Valuation for obligatory acquisition). The rules likewise consolidate the API and PINZ Guidance Notes (ANZVGN 1-10), API Valuation Guidance Notes (AVGN 1 and 2) PINZ Valuation Guidance Notes (ANZVGN 1,2,& 3) set up essentials for the Valuation of organized sorts/classes of favourable circumstances in various conditions for different purposes. Models moreover contain the API and PINZ Real Property Guidance Notes (ANZRPGN 1-10), API Real Property Guidance Notes (ARPGN1& 2) and the PINZ Real Property Guidance (ANZRPGN 1 and 2) set up essentials of Valuation of property.

Extra data likewise included for ANZVPS unite Business Center (proficient activities, announcing, substance, strategy, property activity designs and required capable growth fundamentals), Customer Center (sorts of organizations gave by API and PINZ people, preparing Valuers, Resident Desktop Evaluation-Advisory notes and commitment to API and PINZ people rather possibly the API/PINZ) with valuation confirmation (Fernandez, 2006 and ANZPVS, 2008).

**2.12.6 The Hong Kong Institute of Surveyors Valuation Standard (HKISVS)**

Hong Kong Institute of Surveyors (HKIS) valuati0n standard basically are local benchmarks in Hong Kong, a self-overseeing region of China which is a mandatory arrangement of standards which people are following in its arrangement. The Hong Kong principles is likely a major ace IVS benchmarks on earth as they mirror the IVS with stringent consistence normally required as means of best guidelines and quality.

The HKIS commitment in checking great deal 0f absolute benchmarks seen far reaching (as an affiliated association with IVSC),while the valuation standards impact is disclosed near to areas like Hong Kong, Taiwan. US and UK have kept giving overall best practice manual for China.

All around were eleven standards with two heading notes inside 2012 HKIS valuation models. This is isolated to four territories with giving foundation of benchmarks. Head focuses on the models, conditions dismissed from the benchmarks, takeoffs from the rules, and relationship with the cash related detailing benchmarks, powerful date, change and increments and other data fundamental for a valuation task. Part B gives valuation rules, for example, VS1 (ethics and capacity of valuer), VS2 (client obligation), VS3 (base for valuati0n), VS4 (audit and assessment), VS5 (survey of data), VS6 (valuation reports). Part C: valuation applications, for example, VS7 (business intrigue and business undertaking valuation), VS8 (unimportant resources valuation), VS9 (valuation of budget report and account records proclaiming), VS10 (valuation for genuine properties to be for checked crediting purpose) while VS11 (valuation of reports in exhibiting documents and handouts given to new candidates or recorded benefactors on the Hong Kong Exchange). Part D consist Guidance Notes (GN): GN1 (association working with clients valuers in organizing valuation task regarding accounting reports and records disclosure purpose), while GN2 (Guidance Notes for valuation of veritable assets for contract purpose in Hong Kong) (HKISVS, 2012 and RICS, 2014).

**2.12.7 The Nigeria Valuation Standards (NVS)**

Valuation is focal and basic to basic leadership in the overall monetary and social scene. In order to enrol the certainty and trust of individuals from the general populace, business association and government interest in valuation. This is the key where Valuers becomes predictable, direct and objective handling valuation assignments. Enough information, preparing, introduction, experience, abilities and maintaining moral principles are similarly of essential significance to giving a fair assessment of significant worth, which is as significant as ordered, brief and unambiguous valuation detailing for the last user(s).

Comprehensively perceived elevated degree valuation standards and explanations are presently exemplified with International Valuation Standards (IVS) and distributed accordingly from International Valuation Standards Council (IVSC). NIESV and ESVARBON are impassioned helpers and followers of the all-around perceived principles in Valuation who additionally underpins the overall reception of same. Be that as it may, the affirmation of worldwide measures alone is not sufficient. Powerful usage is furthermore essential. On the off chance that certainty and valuation open trust procedure are accomplished, while exclusively excluding measures consistently translated and dependably applied at this point also effectively observed and maintained.

The point is essentially communicated – Is to instigate trust in, and to offer confirmation to customers and saw customers the same, with given valuation anywhere in Nigeria from an enlisted ESVARBON valuers will be embraced with most elevated proficient gauges by and large.

Members, these professional benchmarks and valuation practice proclamations arranged procedural standards and direction which:

1. include the standards arranged in the IVSC Ethical Principles Code for Professional Valuers and explicitly conform to the ESVARBON Professional Conduct Code for Estate Surveyors and Valuers and Guidance Notes 2015.
2. introduce on particular Valuers or firms enlisted by the Board certain obligatory commitments with respect to capability, objectivity and straightforwardness.
3. build a consistency and best practice system for partaking with valuation conveyance.

Bet as it may, would not:

1. introduce singular individuals on the best way to an incentive solitary matters
2. instruct a specific configuration for reports: given compulsory necessities in these norms are met, reports ought to consistently be suitable and equal to the endeavour
3. supersede norms explicit to singular locales.

For users and additional valuation clients these expert measures and valuation practice articulates guarantee:

1. consistent approach, supporting comprehension of the valuation procedure and subsequently of the worth revealed
2. precise and steady valuation suppositions by reasonably skilled Valuers with suitable credentials and satisfactory knowledge for the assignment
3. independency, goals and straightforwardness of the valuers methodology
4. lucidity with respect in regards to terms of engagement, in addition to issues to be tended to and exposure to be taken into account
5. clarity as for terms of duty, in addition to issues to be tended to with revelations to be produced
6. lucidity in reporting, in addition to appropriate and satisfactory revelation of pertinent issues where valuations may be relied upon by an outsider.

**2.12.7.1 The Green Book**

The Nigeria Valuation Standards called "The Green Book" which has propelled and is gathered in indisputable beginnings, underlying two closing issues huge on valuation tasks all things considered, the third closing issues similar explicit applications. Desire in explaining what requirement individuals needs and the warnings along these lines gathered under two underlying headings which under third warning is the compulsory material (Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON), 2019).

Standards in Nigerians are RICS Global Standards copy. As indicated by Babawale (2012), implied the 2006 form as "the same with that of the IVS". This flags another way to identifying and ordering valuation practice guidance in the recently launched NVS Green Book.

The substance of these norms is beneath normal survey, with changes in addition with augmentations that will be given every once in a while, by the time is required. These will be distributed electronically as required; anyway for the printed variant they will be remembered uniquely for the consequent adaptations. The International Valuation Standards replicated with kind authorization from IVSC in this Green Book version are those insisted by the IVSC Standards Board (NIESV Exposure Draft, 2017).

**2.12.7.2 Federal Reporting Council of Nigeria (FRCN)**

Financial Rep0rting Council (FRC) is a self-sufficient administrative sector set up in giving lawful stage at checking the authorization for consistency and prescribed norms for accounting, insurance, inspecting, valuation and corporate organization. FRCN Act 2011 in addition with Nigeria practice of Estate Surveying and Valuation, section 29: for the Valuation Standards Directorate will, for the Council:

(a) Build up a calculated structure to direct arranging of pertinent valuation norms, including explicit destinations and attributes of such principles;

(b) Make procedural improvement in addition with selection of measures which ensures that the objectives of the calculated structure which guarantees that the destinations of the reasonable structure can be applied by and by;

(c) Create pertinent valuation measures, or re-examine available ones, because of advancing business practices, financial improvements and inadequacies distinguished in current practice;

(d) Consider, from credible regulatory requirements or enactment with some significant administrative associations to agree with valuation profession concerning to aspects of training for new norms required or existing benchmarks which should be changed or clarified;

(e) Look into requirement for conventional benchmarks of corresponding valuation exhortation;

(f) Partnering International Valuation Standards Board with all other global associations for improvement and use of global valuation standards; and

(g) Execute such other obligations from the assessment of the Board that are vital rather fundamental to guarantee the productive execution of the elements of the Council.

**2.13 Global Accepted Standards on Valuation**

International Valuation Standards is the highest widely recognized system of valuation norms received by numerous nations. It is in excess of 85 institutional individuals in 58 part nations, making it the highest generally observed valuation standard on the planet (International Valuation Standards Council, 2014). Further trailed by Royal Institute of Chartered Surveyors Valuation - Professional Standards (Red Book) this totally receives the IVS and is used in the United Kingdom and part nations (RICS, 2014). These principles contain key terms upon whereupon bases for valuation trainings are shaped. These terms are all inclusive appreciated and offer direction to valuers.

**2.14 Nigeria Adoption of Best Practice and Compliance to IVS**

As one lime British province and dynamic member of Commonwealth, the Nigerian educational training in such manner, is fashioned and compared to that of the British syllabus and practice separately. The Royal Institution of Chartered Surveyors (RICS) established in 1786 with well over 140,000 member countries. RICS created exacting rules to keep an eye on professional conducts and disciplinary powers to ensure trustworthiness and professionalism so as to accomplish the client's trust in valuation reports.

RICS valuation manual "The Red Book" further give broad regulation to Valuers while its established faculties advance specialist skills and research focussed at the realization of straightforwardness, consistency and judiciousness.

The Estate Surveyors Registration Board of Nigeria Cap E13, LFN of 2004 and Nigeria Institution of Estate Surveyors and Valuers as established in 1967 are overseeing, managing, controlling and supervising all attendant issues in the calling of estate valuation in Nigeria. This includes keeping timely review of membership list and accreditation of the Nigerian Universities and Polytechnics offering the course of Estate Management.

The impediment factors to full compliance of the International Valuation Standard incorporate; lack and poor legal frame work hence affecting the properly market functionality; paucity of properly data in relation to sales or valuation; lack of adequate formulating market opinions; inadequately trained professionals, including other structural problems as observed by Babawale and Ajayi (2011).

IVSC (2003) also linked the ability and capability to adopt and adhere to international standards and best practice to the level of market maturity. In his assessment of the development of the Nigerian property advertise, Dugcri (2011) rated the market generally low in terms of straightforwardness, capital liquidity, availability and dissemination of market information, and performance of market professionals with other drawbacks pointed out by the study include non standardization of market process.

The study noted that after about 50 years of existence, the real estate valuation profession has not been able to grow membership enough to exert its presence in the market. In order to achieve a belter service delivery the NIESV has recently taken a number of decisive steps to improve the practice environment. The Nigeria Guidance Note (2006) was a replacement of her maiden version of 1995 edition and was created in setting with the International Valuation Standard and the International Accounting Standard. In Its section 8.13.1 made arrangements to be utilized related to that of the International Valuation Standard and with regards to the International Accounting Standard. Especially, section 8.2.4 accentuates the need to hold fast to all segments of the International Valuation Standard C0de of C0nduct relating among morals, ability with divulgence detailing.

As of now, NIESV have set up resources memory of the RICS's. These resources, which incorporate valuati0n in addition ordered hone for members expertise from separate regions conceivable in advancing professionalism. Every individual from the profession is urged to have a place with at any rate two of such resources. Also every Valuers who wants to render valuation administrations to open elements that must be appr0priately enlisted in Nigeria with Financial Rep0orting C0uncil, by law (Financial Rep0rting C0uncil Act. 2o11) and rains in Nigeria, such universal standards as Internati0nal Standard 0n Acc0unting, International Reporting Standards, Bassel II Capital Adequacy Framew0rk, International Public Sect0r Acc0unting Standards, Gl0bal Investment Perf0rmance Benchmarks with IVS.

**2.15 Concept of Certification**

Wikipedia, the free encyclopedia defines certification as an outsider validation of a person's degree of information or capability in a specific industry or calling. They are surrendered by experts in the field, for instance, professional bodies.

A standout amongst the most well-known sorts of certification in present day society is professional certification, where an individual is certified as having the option to skillfully complete work or assignment, more often by passing of an assessment and furthermore the fruition of a program of study. Some expert confirmations moreover require that one get work contribution in a related field before the accreditation can be allowed. Some expert confirmations are genuine for a lifetime in the wake of completing all accreditation essentials. While others lapse after specific time period and also must be stayed aware of further training or conceivably checking.

Another regular kind of certification in present day society has product or service affirmation. This alludes to procedures planned to decide whether the service satisfies least standards, like quality confirmation. Different certification systems exist in each country.

As indicated by Barnhart (1997) "confirmations are versatile, when they do not depend upon one organization's meaning of a specific job" in addition give potential bosses “a fair-minded, outsider support of a person's expert information and experience".

Cambridge Dictionary defines certification as a proof or a report demonstrating that somebody is equipped for a specific activity, or that something is of good quality and furthermore the way toward giving official or lawful endorsement to an individual, organization, item or administration that has arrived at a specific standard.

American College Dictionary characterizes "certified" as "guaranteed or dependably endorsed". When all is said in done, there are three degrees of confirmation that can be given certification: first, second and third party.

In the primary party accreditation, an individual or affiliation giving item or administration offers confirmation that meets certain cases. While second-party confirmation, a relationship to which individual or affiliation has a spot gives the affirmation. Outsider confirmation incorporates an independent examination pronouncing that predefined prerequisites relating to an item, individual, procedure, or the executives framework have been met.

In such manner, a Notified Body is an outsider, certified body which is entitled by accreditation bodies. Endless supply of norms and guidelines, the accreditation bodies might empower a notified body to give outsider confirmation and testing administrations. That guarantees and evaluates consistence already portrayed codes yet notwithstanding giving an official confirmation mark or a declaration of congruity.

**2.16 The System of Valuers Certification (Nigerian Background)**

The Nigeria birthplace of valuation profession is traced during 1950s proceeding the period of valuation profession non existence. Requirement against protections of valuation in respect of contract, actuarial, deals with different reasons critical monetary advancement requirements for Nigeria frontier valuation (Babawale, 2012). Earlier valuers trained in United Kingdom where they obtained professional capability fr0m R0yal Institution 0f Chartered Surveyors, RICS. The couple of qualified Nigerian in RICS in 1969 began the institution and proclaimed by military government with No. 24 of 1975 decree, while establishing ESVARBON in the past repealed enacting Cap III LFN 1990, presently E13 LFN 2007.

This gives off an impression in Nigeria of being double administrative associations valuers have. Nigerian Institution of Estate Surveyors and Valuers (NIESV) being firsts is a non-administrative expert affiliation conducting the prompt assessment in honour of its members and the yearly arranged c0nferences. Subsequent association was ESVARBON prior referenced, an office created by decree that allows issuance of practicing licenses spin-off of death of meetings. Basically, a Valuer is an individual enlisted beneath decree 24 of 1975 (presently E13 LFN 2007) via which Estate Surveyors and Valuers Registration Board of Nigeria is set up. EVARBON rather the Board famously known in the nation as government affirmed administrative arm perceived by Federal Republic of Nigeria via empowering law f0r accused duties of:

1. Identifying genuine Estate Surveyors and Valuers;
2. Identifying information benchmark type with skill valuers are expected to acquire;
3. acquiring , building up with upkeep of register of people qualified for training as state Surveyors and Valuers and the distribution occasionally of such people;
4. Controlling and regulating the activity of Estate Surveying and Valuation in the entirety of its angles and repercussions; and
5. Carrying out different capabilities presented from the Board by the Act.

Relevant explanation of NIESV presence portrays them as n0n regulatory body. However, a solid c0mplimentary c0nnection exist between these two bodies in Nigeria with a political race of partner participation of NIESV making it essential for ESVARB0N meetings in ensuing registration of NIESV members under Decree 24 of 1975 now E13 LFN 2007 (Gamb0, 2010). In Nigerian setting members from the Nigerian Institution of Estate surveyors and Valuers get enlisted by Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) which is the basic structure of the Board in expressing those rights of around 90% of the enlistment procedure of becoming valuers (Gambo and Datukun, 2016).

**2.17 Summary and Research Concept Modelling**

From the secondary data collected and various authors reviewed above, the researcher is now in a position to articulate an idea of desires to address the investigation's objectives in a model form. The endeavour is to draw out the reviewed literature and the researcher’s appearance in analysing the relationship between valuation standards and property value certification when carrying out valuation assignment in Nigeria. The model is diagrammatically represented hereunder in Figure 2.2 below

**ANALYSIS 0F ADHERENCE T0 VALUATI0N STANDARDS AND PR0PERTY VALUE CERTIFICATION BY ESTATE SURVEYING AND VALUATI0N FIRMS IN LAG0S, NIGERIA**

**VALUATION**

**THE SCIENCE OR ART OF ASSESSING THE VALUE F0R A SPECIFIC PURP0SE 0F A PARTICULAR INTEREST IN PR0PERTY AT A PARTICULAR M0MENT IN TIME (MILLINGTON, 2006)**

**PRINCIPLE BASED APPROACH DETERMINES WHAT PROCEDURE/METHOD TO APPLY THAT WILL LED TO THE CONCLUSION OF VALUE**

**VALUATION PROCESS**

**Valuation process starts as valuer accepts to carry out task and finish to the extent of reporting valuation conclusion to the client. (Appraisal Institute, 2012)**

**VALUATION STANDARDS SETTERS (PROFESSIONAL BODIES WITH NUMEROUS STANDARDS)**

**IVSC, RICS, TEGOVA, TAF, API, PINZ, & NIESV/ESVARBON**

**VALUATION STANDARDS Quality control principles valuers adhere under the scope of valuation regulatory body on how to undertake and report valuations (Ajayi, 2009)**

**CONCLUSION OF VALUE**

**VALUATION OUTCOME FROM SEPERATE APPROACH RECONCILED INTO A FINAL OPINION OF VALUE**

**PROPERTY VALUE**

**Bankrate, (2019) refers to property value as the worth of real estate based on as price a buyer and seller agree upon**

**PROPERTY VALUE CERTIFICATION**

**Refers to statement made at the end of every valuation report which is ought to be mandatory (Ajayi, 2009)**

**MANDATORY STATEMENT**

**MANDATORY STATEMENT BY SOME VALUATION REGULATORY BODY IN A PRESCRIBED FORMAT FOR INCLUSION IN A VALUATION REPORT**

**CLIENT PERSON OR GROUP THAT USES THE PROFESSIONAL ADVICE OR SERVICE OF A VALUER**

**FINAL REPORT**

**THIS IS A COMPLETE REPORT PRODUCED FOR A CLIENT AFTER THE COMPLETION OF A VALUATION TASK.**

**Figure 2.2:** The Author’s Concept of identifying the relationship between valuation standards and property value certification when carrying out valuation assignment.

**2.18 Empirical Research Review**

This piece of the investigation, the researcher summarises previous works different researchers have carried out on the matters that have to do with or recognises with the topic and identify the knowledge gap that needs to be filled.

Ajayi, (2009) undertook a study where he applied global valuation standards in investment approach utilization for valuati0n with m0rtgag evaluation and as one of his finishing up comments pointed out that the awareness of and utilization of IVS (2007) and even the Standard and Guidance notes of NIESV (2006) was extremely low among Nigerian valuers and this is ironic in the light of the fact that at the end of every valuation report the accompanying certification ought to be mandatory: “This is to certify that valuation has been completed or done as per valuati0n benchmarks and guidance notes of NIESV 2006 or some comparative compliance statement”. This study however did not give any dependable exact measurable statistical basis to legitimize his decisions.

Babawale (2009/2012) embraced looks onwards a standardized way to deal with real estate valuation practice and appraisal of present real estate valuation practice standard in Nigeria The studies uncovered that valuation practice in Nigeria needs consistency and strightforwarness approach and reporting and that practice 0f valuati0n within the nation as for now missed global mark of global benchmarks with good practices.

Results gotten from measurable test shows that 64 per cent of the respondents made reference to no valuation principles of any kind, while the rest used one or mix of RICS's 'Red Book', or IVSC’s ‘White Book’. The present NIESV’s version is pretty much a replica of the IVSC’s while only 2 per cent could obtain and utilize technology based valuation software and finally the study generally portrays Nigeria practice as evolving inside a feeble regulatory framework; a rather troblesome valuation environment; and being rather too drowsy to catch up with rising global trends, international standards and best practice. This study did not explore the significance of certification in valuation reporting in his analysis where 84% which was the most ranked of the 70 sampled valuation reports estimated for compliance against best practices on the basis of certian striking topics ordinarily contained in a standard valuation report.

Gambo, (2014) examined valuers reaction to valuation standards application practically speaking and the findings uncovered that 20 per cent of valuers non awareness of any valuation standards presence, 54% valuers take no advice of any valuation standards manual practically speaking while only one per cent utilize industrial based valuation software and 82 per cent in the investigation of 50 valuation reports did exclude articulation of consistence with IVS or any benchmarks.

Oluwunmi *et al.,* (2011) in their investigation analysed customers fulfilment in addition t0 m0rtgage valuati0n rep0rts inside Nigeria with an investigation 0f three internati0nal valuati0n bodies, to be specific, Internati0nal Valuati0n Standards C0mmittee (IVSC), R0yal Institution 0f Chartered Surveyors (RICS) with The Eur0pean Gr0up of Valuers Ass0ciati0n (TEG0VA) and one national valuation body, that is, NIESV and x-rayed them against 21 things of a valuation report standard contents. So also the outcome shows that NIESV’s standard valuation report is the most extravagant with 85.71% of contents while RICS, IVSC and TEGoVA have 80.95%, 76.19% and 80.95% of contents respectively. The study did exclude the certification statement which is mandatory in the 21 things of standard valuation report according to (Ajayi, 2009).

Aluko (2007) saw the ramifications present pattern in contract valuation practice demonstrated that property valuers are not showing appropriate bases, strategies and data contents in contract valuation.

Dugeri, Gambo and Ajayi (2o12) examined the degree 0f adherence to universal valuati0n standards at nationwide level with suggestions drawn for applying IVSs in rising economies like Nigeria and uncovered that Nigeria as an emerging economy has not yet developed nor built up the imperative law and money related reporting practice on which the IVS is based as bane for its selection in Nigeria.

Ayedun (2016) advocated for requirement of adherence to professional proficient morals and set of accepted rules by proficient Estate Surveyors and Valuers with ultimate goal of separating their performance from those of non-individuals from the profession 0f estate surveying and valuati0n.

Onyeneke and Ekenta (2018),surveyed Nigerian valuation practice and compliance to International Valuation Standard and uncovered that Nigeria Valuation Practice has complied with the minimum standards in its reporting style/content by number of things as related to Brazil, United States 0f America and United Kingdom which provided better comprehension to enhance the Valuation Practice as to fabricate new certainty and trust in the profession.

**2.18.1 Knowledge - Gap Identified**

The setting up of IVS in the presiding literature review holds general standards, ideas and guidelines that have an overall application(s). In any case, even in a jurisdiction where IVS with alternate major International valuation measures worldwide have gotten nor fused inside local/national standards, local guidelines assumes winning jobs with specific business valuations. For instance, RICS (Red Book) accessing conveyed worldwide benchmarks in upgrading the IVS steady own UK express guidelines. Delivered glo0bal benchmarks to enhance the IVS steady own UK explicit benchmarks. It signifies manner in which distinction within valuation culture with information most times found with difficulties practically speaking.

It is evidenced that there is paucity knowledge of Nigerian Valuers towards International Valuation Standards (IVS) that has been incorporated into practice and the importance of property value certification when undertaking valuation assignment. This may have been the purpose for the conspicuous nonappearance of veritable national and local valuation standards in Nigeria and why our valuation report is not standing the test of time.

This present research tends to explore more at the knowledge content of valuation standard and property value certification and how the valuation culture can improve to bridge the professional gap in estate valuation in the country with the point of establishing a mechanism of improving its aggressiveness on the world stage in drawing in universal standards and best practice that will stand the test of time.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

**3.1 Methodology**

From related literature review in first parts, the section here portrays the methodological structures utilized observationally to explore discovered issues alongside in fulfilling the objectives of study.

This section proceeded to explain in detail the exploration design, populace, determination of sampling techniques and frame, sources of data required for the study, methods of collecting such data, questionnaire distribution and the analysis data procedures for the investigation.

**3.2 Research Design**

The research examination configuration adopted to obtain data for this study is a mix survey approach of elucidating and inferential plan review. These included an organized questionnaire intended to inspire data on aspects of valuation strategies, procedures and holding fast on valuation reporting guidelines. The investigation was likewise supplemented with content examination approach of valuations reports recovered from the investigation region which was utilized to adjudge the extent of compliance to property value certification with prescribed valuation standards.

**3.3 Study Population**

The research study populace comprised fundamentally, registered estate valuers currently head of practice, valuation unit and firm branches within Lagos city. In uprightness 0f decree 24 0f 1975, the Estate Surveyors and Valuers remain the expert by law engaged in carrying out valuation with exclusive enthusiasm for real estate and related res0urces within Nigeria.

This investigation was conducted in Lagos since Lagos city involves a focal spot in Nigeria's land speculation and which is the most noteworthy, generally various, dynamic regarding market exercises; and has the most noteworthy Valuers; and Lagos is the center point of the Nigerian land advertise contains enormous arrangement of land ventures (Babawale and Omirin, 2011). It has the most noteworthy grouping of business exercises, budgetary administrations and most of aggregates and foreign nationals are headquartered in Lag0s (Emele *et al.,* 2o14). Nigerian Institution of Estate Surveyors and Valuers (2017) directory demonstrates that an all out number of 354 valuation practicing professionals arranges workplaces within Lagos city which is the study territory exploration which ranges to around 42% of the 840 valuation practicing firms in the nation.

**3.4 Sampling Frame**

Samplingframe for the investigation was gotten from concentration of professional offices which were substantiated by the NIESV 2017 enrolled registered firms of estate surveying and valuati0n sh0wing 840 firms 0f estate surveying and valuati0n in the nation with at least an office (either as head or regional) in Lagos alone and that 354 of the firms are based in the examination area. This is appeared below in Table 3.1

**Table 3.1: Sampling Frame Summary for the Study**

|  |  |  |
| --- | --- | --- |
| **Study Population** | **Sampling Frame** | **Representation Percent** |
| 840 Estate Surveying and Valuation firms | 354 | 42 |

Source: NIESV Directory, 2017

**3.5 Sampling Size**

The necessary sampling size from the sampling outline above was inferred by methods for a logical sample size calculator for determining the number of respondents needed to appraise the genuine populace extent and show measure of respondents expected to get statistically results for a specific population.

The select statistical scientific calculator used for the study utilizes the accompanying recipe sample size n:

n = N\*x/(x + N – 1) ....… Eqn. (3.1)

Where: x = Zα/22 ¬\*p\*(1-p)/M0E2,

Zα/2 being basic calculation of the steady appropriation at α/2 (F0r instance, a sure degree 0f 95%, α is 0.05 and basic worth of 1.96), M0E is the safety buffer; P is sample level, and N population amount.

Therefore, sampling size calculator recommended a minimum of 185 for the study area. This sample size figure represented about 52% more than half of the absolute p**0**pulace 0f firms of estate surveying valuati0n for the study, as per Ayedun (2009) agreed with proposal of Nwana (1981) prescribing range of 40% from total the p0pulation when in small hundreds.

**3.6 Sampling Techniques**

This study intends to sample a population that is spread across a wide geographical region; it will require covering a lot of ground geographically to sample each of the selected units. As such, cluster random sampling method was discovered proper, as it avoids the stress of geographically covering all the areas by exempting where there are very few firms and focusing on areas where there are clusters. Specifically, the technique includes distinguishing clusters of populace, choosing a portion of the groups and tending to all the populace in chose cluster by dividing firms recorded in the official register of NIESV into groups called clusters as indicated by their geographical/neighbourhood areas and randomly drawing samples that will represent the firms from each clusters.

**3.7 Methods of Collection of Data**

The assortments of information, the accompanying techniques were embraced for the investigation.

**3.7.1** Questionnaire: This is the primary method for information assortment which will involve the administration of questionnaires to practicing estate surveyors and valuers who are registered practice heads of valuation unit or partners in the investigative region. Questionnaires utilized were for securing inquiries by utilizing printed structures which the respondents fill themselves. These types of questions are amenable to the useof table, frequency distribution, percentage and coefficient of correlation complemented with ANOVA statistical tools; there is also the Yes or No and multiple choice answers designed to access the frequency of firms of estate surveying and valuation basic profile, valuation standard awareness and identification of existing valuation standards.

**3.7.2** Direct personal observation: This will involve the utilization of content analysis depended on International valuation standards extent task given and used as checklist for analysing valuation reports gotten from practicing estate surveying and valuat0in firms with in the study region as they consent valuation report minimum contents and the inclusion of property value certification regardless of the nature of valuation task.

**3.7.3** Oral interview: This will involve informal interviews with the respondents to confirm some certain information which cannot be obtained through direct personal observation or questionnaire.

**3.8 Sources of Data**

Information utilized were both primary and sec0ndary,

**3.8.1** Primary data: This information was acquired directly from utilized questionnaire, questions, center gathering chats, review and perceptions. Valuation heads of firms, partners’ senior partners, and any registered valuers are trustworthy hotspots of information.

**3.8.2** Secondary data: This are as of now handled information which are predominantly valuation reports got from the sampled firms, as well as data got from NIESV, ESVARBON, and publications such as journals, past projects, thesis and papers, class, workshop, address, gathering papers, address notes, course books, valuation principles, the web and a combination of other yet related artistic works inside and outside Nigeria.

**3.9 Distribution of Questionnaires**

The survey carried out for assorting pertinent information for the research were undertaken within periods of July/August, 2019. Table 3.2 beneath shows distribution and response rate details of questionnaires administered for each of the two research groups called clusters.

**Table 3.2: Questionnaire Distributed to Valuation Heads of** **Departments/Firms**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **Firm Location** | **No. of Firms** | **No. of Study Group** | **Total No. of Firms** | **Administered** | **Retrieved** | **% Success** |
| **1** | Ikeja | 78 | **Mainland** | 136 | 108 | 101 | 94 |
| **2** | Lagos Mainland | 31 |
| **3** | Surulere | 27 |
| **4** | Lagos Island | 93 | **Island** | 135 | 92 | 85 | 92 |
| **5** | Victoria Island | 21 |
| **6** | Ikoyi | 13 |
| **Total** | | | **2** | **271** | **200** | **186** | **93** |

Source: Authors Analysis and Field Survey, 2019.

Table 3.2 shows that an aggregate of 200 questionnaires was controlled on heads of firm/valuation unit/division of the 200 practicing estate firms operating within Lagos city. 186 was retrieved which spoke to about 52% of the absolute populace of valuation firms for the study while a reaction pace of 93% was accomplished. This achievement was relied upon, all things considered, to the great liking and contacts earlier settled with a large portion of estate surveyors practicing inside the study zone while working with Osita Okoli and Company and Jide Taiwo and Company firms of professional Estate Surveying and Valuation in the Island between 2003 to 2012. Responses to questionnaires during the ESVARBON organised mandatory training and workshop on the Nigeria Valuation Standards Implementation in Ikeja; by estate valuers who are Head of Practice were superior to in their different workplaces in light of the fact that most domain professional were found are field surveyors in the field at hours in greater amount.

**3.10 Data Analysis Techniques**

The following techniques was employed in analysing the data collated from the field in achieving all of the stated objectives are tabulated as shown below in Table 3.3;

**Table 3.3: Analysis of Data Technique**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | | **0bjectives** | **Method** | **Required Information** | **Source of Information** | **Statistical Tool** |
| 1. | Identify valuation process employed in within at arriving to property value by practicing valuation estate firms in the study area. | | Quantitative | Valuation Approach / Methods | Questionnaire | Frequency Percentage/ Tables, Distribution |
| 2. | Identify existing valuation standards with the extent of adherence by practicing valuation estate firms in the study area. | | Quantitative | valuation Existing standards | Questionnaire | Frequency Percentage/ Tables, Distribution/ Chart |
| 3, | Determine level of adherence to property value certification by practicing valuation estate firm within study area. | | Quantitative | Content of Valuation Minimum Report | Checklist | Tables, Frequency / Percentage Distribution |
| 4. | Determine if extent of valuation standards adherence has a significant relationship with compliance to property value certification in valuation reporting in the study area. | | Qualitative / Quantitative | Analyzed data results obtained from objective two and three | Questionnaire | Tables, Mean/Percentage average, Coefficient of Correlation and ANOVA |

*Source: Authors Field Survey, (2019)*

**3.10.1 Technique for Identifying Existing Valuation Standards and Extent of Adherence in the Study Area**

The technique that was used to achieve this objective is questionnaire. Questionnaires were administered to respondents in order to obtain data on the extent of valuer’s awareness to valuation standards and degree of adherence to the identified valuation standards and manual within the study area.

Statistical descriptive tools such as tables, frequency, percentage distribution and charts was then employed in the process of summarising the raw data obtained from the questionnaire and displaying same in a compact form of orderly arranged columns, rows and also in a graphical representation in form of bar and pie charts.

**3.10.2 Technique for Identifying Valuation Process Employed by Practicing Estate Valuation Firms within Study Area**

Technique employed achieving the above objective is with use of questionnaire and descriptive statistical tools like tables, frequency and percentage distribution in the process of summarising the raw data obtained from the questionnaires and displayed in form of orderly arranged columns and rows.

**3.10.3 Technique for Determining Level of Adherence to Property Value Certification in the Study Area**

The technique that was used to achieve this objective is a checklist. Checklist on Minimum Content of Valuation Report General Standards on scope of work and which was also accompanied with valuation reports content analysis gotten from firms of estate surveying and valuation practicing within study region in analysing compliance extent to property value certification with prescribed valuation standards and presented in form of table, frequency and percentage distribution.

**3.10.4 Technique for determining if the extent of adherence to valuation standards has significant relationship with compliance to property value certification in valuation reporting**

In achieving this objective, Pearson correlation was used to identify the statistical association or relationship between the extent of adherence to valuation standards and property value certification in valuation reporting. This was also complemented with Analysis of Variancein analysing the explained and unexplained variance as at the time the variables means exist independent of one another

Descriptive statistics like mean and simple percentage average distribution was used in addition to Pearson Correlation to aid in determining the association of the two represented variables.

The formula of Karl Pearson’s Product Moment of Correlation statistical model is given as;

(r) =

....… Eqn. (3.2)

Where Coefficient of Correlation is represented by r;

and n representing sample size;

While X represents Independent variable;

and

Y represents Dependent variable Y

**CHAPTER FOUR**

**RESULTS AND DISCUSSION**

**4.1 Profile of Respondent Valuers Firm**

The basic profile of respondents’ firm was derived from the first section of the questionnaires administered. The profile which is significant to the study was examined in order to establish its appropriateness vis-à-vis the objectives and the result forming part of further analysis of the study is descriptively illustrated in Table 4.1

**Table 4.1: Profile for the Valuers Firm Surveyed (N=186)**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Firms Profile** | **Frequency** | **Percent (%)** |
| **1.** | Firms that are sole proprietorship. | 165 | 89 |
| **2.** | Firms that are over 5 years in practice | 14 | 80 |
| **3.** | Firms that are having over a branch | 114 | 61 |
| **4.** | Firms having registered Valuers more than 5 | 70 | 38 |
| **5.** | Firms with international affiliation or branch outside Nigeria | 4 | 2 |
| **6.** | Firms that are having separate department/Unit for valuation | 52 | 28 |
| **7.** | Firms executing over 5 valuations on an average per month | 81 | 44 |
| **8.** | Firms using industry-based valuation software | 6 | 3 |
| **9.** | Firms maintaining formalized data banking | 89 | 48 |
| **10.** | Firms having a distinct Information Technology unit | 24 | 13 |
| **11.** | Firms having distinct research unit/department | 40 | 22 |
| **12.** | Firms having a functional study library | 68 | 37 |

*Source: Authors Survey, (2019)*

Table 4:1, summarises valuers profile firm within study area. Nearly all firm (89%) run as individual ownership, 80% firm started operation over 5 years, 61% has one branch, 38% having over 5 registered valuers in the firm, and 2% has foreign affiliation either a branch outside Nigeria. 186 firm in the study area, only 28% have separate Valuation department/Unit, and 44% execute over five valuation assignments on an average monthly, 3% make use of valuation software, 13% have distinct information technology unit, 48% make conscious effort to maintain and operate data bank, while 22% has distinct research unit/department, and only 39% maintain a functional library.

In summary the results for the above objective showed a low level of research among Nigerian valuers.

**4.2 Identification of Valuation Process Employed in Arriving at Property Value by Valuation Estate Surveying Firms within Study Area**

**Table 4.2: Valuation Approach/Method Mostly Employed in Valuing Residential and Commercial Properties by Respondents (N=186)**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Valuation Approach/Method** | **Frequency** | **Percent (%)** |
| **1.** | Market (Comparative) | 39 | 21 |
| **2.** | Income Capitalization (Investment) | 35 | 19 |
| **3.** | Cost (Depreciated Replacement Cost) | 43 | 23 |
| **4.** | Market + Income Capitalization | 20 | 11 |
| **5.** | Market + Cost | 31 | 17 |
| **6.** | Market + Income + Cost | 10 | 5 |
| **7.** | Discounted Cash Flow (DCF) | 8 | 4 |
| **8.** | Others | 0 | 0 |
|  | **Total Sum** | **186** | **100** |

*Source: Authors Survey, (2019)*

The result of Table 4.2 indicated (23%) valuers resort to using cost (Depreciated Replacement Cost), while about 45% employed Cost (DRC) Approach complimented with either Market (Comparison) or Income (Investment) Approach to value. The respondents indicated that 21% use Market Approach; 19% use Income Approach; while 4% use of the Discounted Cash Flow (DCF) is rarely employed and about 18% employ two of the three approaches recognised by International Valuation Standards Council (Market, Income and Cost). Only 5% indicated the use of all the three universally acceptable approaches (Market, Income and Cost) at the same time.

**Table 4. 3: Valuation Method Mostly Employed to Estimate Accrued Depreciation**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Valuation Method** | **Frequency** | **Percent (%)** |
| **1.** | Formula/figure pre-determined by the firm | 24 | 12 |
| **2.** | Straight-line / Overall (age-life) method based on property physical deterioration state on site | 109 | 59 |
| **3.** | Particular leeway for property functional obsolescence | 37 | 20 |
| **4.** | Particular leeway for economic obsolescence | 16 | 9 |
| **5.** | Others | 0 | 0 |
| **Total Sum** | | **186** | **100** |

*Source: Field Survey, (2019)*

When Depreciated Replacement Cost (DRC) approach is employed, the respondents estimated accrued depreciation differently. From Table 4.3, a large proportion (59 per cent) of the respondents employed straight line method, while 12% used formula/figure predetermined by the firm, which is often calculated by the standard of the rule of the thumb dependent on property kind, use type and location. From 186 respondents, only 20% claimed to offer explicit allowance for property utilitarian obsolescence, 9% made particular leeway for economic out of date quality.

**Table 4.4: Valuation Method Mostly Employed to Estimate Outgoings**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Valuation Method** | **Frequency** | **Percent (%)** |
| **1.** | Firm pre-determined formula | 9 | 5 |
| **2.** | Source from initial amount spent on subject property | 36 | 19 |
| **3.** | Source from amount spent on similar property | 12 | 7 |
| **4.** | Textbook recommendations as source | 21 | 11 |
| **5.** | The Rule of thumb on the basis of property physical use and state | 108 | 58 |
| **Total** | | **186** | **100** |

*Source: Authors Field Survey, (2019)*

In line with Table 4.4 above, 19% valuers frequently gauge outgoings as a level of gross lease by reference to the real sum spent regarding the subject property; 7% by reference to the sum spent on comparable properties, larger part (58%) utilize more on the exercise of thumb upon physical usage with property stat; while 11% utilize textbook suggested figures. The remaining 5% use figure pre-determined by their respective firms.

**Table 4.5: Valuation Method Mostly Employed to Estimate Yield**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Valuation Method** | **Frequency** | **Percent (%)** |
| **1.** | Market Investigation | 95 | 51 |
| **2.** | Pre-determined figures provided by firm on the basis of property location and type | 69 | 37 |
| **3.** | Theoretical determination | 14 | 8 |
| **4.** | The Rule of thumb on the basis of property location and type | 8 | 4 |
| **Total Sun** | | **186** | **100** |

*Source: Authors Survey, (2019)*

In line with Table, 4.5, calculating yield also reveals the same inconsistency and lack of transparency with 51% obtaining their yield most often through market analysis; another 37% use fixed rates as pre-determined by their respective firms, 8% make use of theoretical calculations from recommended text book (majority are foreign); while 4% uses rule of thumb on the basis of property location and type.

**4.3 Identifying Existing Valuation Standards with the Extent for Adherence by Practicing Firms of Estate Surveying and Valuation in the Study Area.**

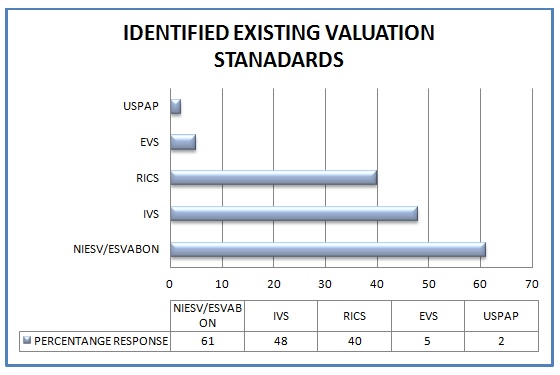
Achieving this objective, valuers awareness extent was examined in ensuring reliability of the study data and was derived from section two of the questionnaires apportioned for respondents in the study location while result analysis formed basis for the objective. Tables 4.6, 4.7, 4.8 and Figures 4.1, and 4.2 present the descriptive statistics to that effect below.

**Table 4.6: Extent of Valuers Awareness to Valuation Standards (N=186)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S/N** | **Question asked** | **Option** | **Frequency** | **(%)** |
| **1.** | Whether valuers are aware of valuation standard | Yes  No | 180  6 | 97  3 |
| **Total Sum** | | | **186** | **100** |

*Source: Authors Survey, (2019)*

Table 4.6 descriptively explained extent valuers awareness to valuation standard which indicated that 97% valuers awareness existent towards valuation standards while 3% unaware valuers existent to any standards in valuation,

** Figure 4.1:** Bar Chart Representations of Identified Existing Valuation Standards

*Source: Authors Field Survey, (2019)*

Figure 4.1 descriptively summarizes identified existing valuation standards within the study area consisting 61% of NIESV/ ESVARBON while IVS and RICS were 48% and 40% and finally EVS and USPAP were 5% and 2%. In total five valuation standards were identified.

**Table 4.7: Identified Valuation Standards Mostly adhered by Respondents (N=186)**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Valuation Standards** | **Frequency** | **Percent (%)** |
| **1.** | NIESV/ESVARBON | 76 | 41 |
| **2.** | IVS | 60 | 32 |
| **3.** | RICS | 40 | 22 |
| **4.** | NONE | 10 | 5 |
|  | **Total** | **186** | **100** |

*Source: Authors Survey, (2019)*

Table:4.7 indicated the degree of adherence to the identified standards within the study area where 41% of respondents indicated that they are adhering to NIESV/ESVARBON while 32% and 22% of respondents also adhere to IVS and RICS While the last 5% of the respondents do not adhere to any standard.

**95%**

**5%**

**LEVEL OF ADHERENCE TO VALUATION STANDARDS**

**ADHERING**

**NOT ADHERING**

**Figure 4.2:** Pie Chart Representations of Respondents Level of Adherence to Valuation Standards. *Source: Field Survey, (2019)*

Figure 4.2 descriptively represented a total frequency of 176 respondents at 95% as level that are adhering to either NIESV/ESVARBON, IVS or RICS valuation standards while 5% which is the remainder adhered to no valuation standards of any type.

**Table 4.8: Valuation Standards Manual Mostly Used in Practice by Respondents (N=186)**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Valuation Standards** | **Frequency** | **Percent (%)** |
|  | NIESV | 66 | 36 |
|  | IVSC | 34 | 18 |
|  | RICS | 36 | 19 |
|  | TEGOVA | 2 | 1 |
|  | NONE | 48 | 26 |
|  | **Total** | **186** | **100** |

*Source: Authors Survey, (2019)*

In line with summary Table 4.8 shows that 26% valuers in practice do not utilize any standards manual in ensuring conformation with valuation reporting minimum content while 74% remainder used one or combination of NIESV/ESVARBON, IVSC, RICS and TEGOVA.

In summary the results for the above objective, revealed the existence of five (5) different standards within study region with 95 percent of Nigerian valuers adhering to valuation standards at both national and international height. Furthermore, it was found that the use of valuation standard manual was low among valuers practicing within the study area.

**4.4 Determining Level of Adherence to Property Value Certification by Valuation Practicing Estate Surveying and Valuation Firms in the Study Area.**

Determining level adherence to property value certification and achieving this objective were derived from the checklists used in evaluating the extent of compliance to property value certification with IVS valuation standards which is presented under item No. 13 in Table 4.4 below:

**Table 4.9: Complying with IVS Valuation Report Minimum Content of (N=100)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S/N** | **Subheadings** | **Inserted** | **Not Inserted** | **% of Not Inserted** |
| **1** | Status and Identification of Valuer | 90 | 10 | 10 |
| **2** | Client Identification and any other expected | 99 | 1 | 1 |
| **3** | Valued Assets | 79 | 21 | 21 |
| **4** | Valuation Purpose | 93 | 7 | 7 |
| **5** | Basis for Value | 95 | 5 | 5 |
| **6** | Inspection date of valuation | 96 | 4 | 4 |
| **7** | Kind of information sourced is relied upon | 27 | 73 | 73 |
| **S/N** | **Subheadings** | **Inserted** | **Not Inserted** | **% of Not Inserted** |
| **8** | Extent and Nature of Valuers Work (Investigation) | 33 | 67 | 67 |
| **9** | Presumptions and Particular Assumptions | 97 | 3 | 3 |
| **10** | Method of Valuation and Reasoning Approach | 84 | 16 | 16 |
| **11** | Valuation Amount or Currency | 99 | 1 | 1 |
| **12** | Restriction use, Publication or Distribution | 97 | 3 | 3 |
| **13** | Mandatory Statement certifying IVS standard or any other certification | 45 | 55 | 55 |
| **14** | Stamp and Mark | 99 | 1 | 1 |
| **15** | Valuation Report Date | 100 | 0 | 0 |

*Source: Field Survey, (2019)*

Table, 4.9 estimates 100 conformed and examined reports dependent on the extent task International Valuation Standards gave as content minimum requirement each report ought covering independent idea towards the task. For instance, under item No. 13, just 45% of valuers included statement of conformation with IVS or some other valuation guidelines confirmation of valuation reports while 55% of the rest of the valuation reports did exclude any compliance statement with any valuation standards which according to Ajayi, (2009) should be an obligatory proclamation stated toward the finish of each valuation report, while 77% and 67% neglected to identify sources of data whereupon the valuation is based and degree of examination including any measurable procedure to show or analyse information. 21% neglected to identify asset type (property) that was valued. It is unmistakably demonstrated that 16% valuers fail to show utilized approach inside the report. Thus, 7% valuers in their reports are yet to know reason for which clients require valuation report. Out of 100 valuation reports inspected, 5% reports are yet to mirror basis for significant worth; while the major reason whereupon the valuation is based and thusly educates the way to deal with be received. It was discovered that 4% did exclude valuation date which is successful completion day of valuation execution as not quite same as the date of announcing. 3% didn't own any expression to limit the utilization, dissemination or production of the report and any suppositions whereupon the valuation result is already known; while 1% valuers neglected distinguishing status of customer and valuer.

**4.5 Determining if the Extent of Adherence to Valuation Standard has a Significant Relationship with Compliance to Property Value Certification in the Study Area**

In determining and achieving this objective, Correlation Coefficient statistical model was utilized in identifying the statistical association linking the extent of adherence to valuation standards and property value certification in valuation reporting and complemented with analysis of variance to determine the explained and unexplained variances of the result. The variable inputs required for determining the coefficient of correlation are presented as follows.

**Table 4.10: Inputs Required for Determining the Coefficient of Correlation between Adherence to Valuation Standards and Property Value Certification**

|  |  |  |
| --- | --- | --- |
| **Mean Average Sample size (n)** | **% Average of Adherence to valuation standard (X)** | **% Average of Adherence to property value certification (Y)** |
| 186 | 79.64 | - |
| 100 | - | 20.36 |
| n =143 | =79.64 | =20.36 |

*Source: Field Survey, (2019)*

Achieving the above objective, inputs were first examined in order to determine the coefficient of correlation as shown in Table 4.10 that follows.

**Table 4.11: Determining inputs to Aid in Determining the Coefficient of Correlation between Adherence to Valuation Standards and Property Value Certification**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **(X)** | **(Y)** | **X2** | **XY** | **Y2** |
| 79.64 | 20.36 | 6,343.53 | 1,621.47 | 414.53 |
| = 79.64 | = 20.36 | = 6,343.53 | Y=1,621.47 | = 414.53 |

*Source: Field Survey, (2019)*

From the above coefficient correlation result:

* 1. Correlation coefficient of 0.99 is interpreted as a strong positive correlation.
  2. Coefficient of correlation of 0.99 means that the variables of adherence levels to valuation standard and property value certification move in the same direction; but at slightly different magnitude.
  3. The result also means that the extent of adherence to valuation standard has significant relationship with compliance to property value certification in valuation reporting.
  4. The explained variance due to independent variables captured in the study was determined using the coefficient of determination which are as follows.

r2 = (0.99)2

= 0.9801 = 0.980

When expressed in percentage, the explained variance of (98%) reflects the validity level

* 1. The unexplained variance is the variance due to extraneous variables not captured in the study. This was determined as follows.

Unexplained variance = 1= r2

= 1 - 0.980

= 0.02

When expressed in percentage, the unexplained variance (2%) indicates that the independent variable considered by the researcher for the study did not explain up to 2% of the effect on the dependent variable. This of course is a reasonable validity. This implies that apart from level of adherence to valuation standard, there are limited indicators that can be used to determine the relationship between levels of adherence to property value certification.

**CHAPTER FIVE**

**CONCLUSION AND RECOMMENDATIONS**

**5.1 Summary of Findings**

According to the analysis of information gathered for the study, while major findings obtained are as follows:

1. Strength of small firms, sole ownerships, and other practice showcase low development advancement for the valuation profession in the study area or the nation all in all. This indicated answers partly for the low degree of firms being able to bear the cost of industrial-based valuation software, working library, funding research department, departmentalizing and creating distinct valuation units or offices.
2. There is still irregularities and absence of conformity in the methods, bases and valuation reporting standards amid valuers, with evidenced uncovered in the absence of reliable data and close to nonappearance of a consolidated system of data gathering and utilization for unique valuation bases, approaches as well as dissimilar reporting styles for a similar valuation task, which will undoubtedly create various outcomes in a valuation estimates while addressing the need of clients various purposes and maintaining standards for such valuation report that cannot be substantiated.
3. Despite the significant level of valuers awareness and adherence to valuation standards, valuers in-depth knowledge content of valuation standards is low. Moreover, it was discovered that the utilization of the incorporated International Valuation Standards (IVS) valuation standard manual (The Green Book) was low among valuers in practice.
4. 0.99 Correlation Coefficient result showed that the level adherence to valuation standards has a significant relationship with property value certification. This implies that degree of adherence to valuation standards has limited or no impact on (55%) valuers not adhering to property value certification in the area of study.

**5.2 Conclusion**

Analytically the study x-rayed degree of adherence to valuation standards and also property value certification from global perspective. Following discoveries uncovered from the study demonstrate an elevated degree of valuers knowledge and adherence towards valuation standards against prior investigations did by (Ajayi, 2009; Babawale, 2009/2012 and Gambo, 2014), pointing out that the awareness of and utilization of IVS, RICS and even the Standard and Guidance notes of NIESV (2006) were very low among Nigerian valuers and also the valuation practice currently not close to international valuation standards and best practices.

In ensuring to compliance with minimum reporting standard; it was discovered that valuers usage of any valuation standard manual is 26% to guarantee consistence to minimum content reporting; which likely records for the explanation of the 55% valuers in the study area that prepare their valuation reporting incompliance to either IVS and other standards Going by the outcomes, it is prove that more essential and bigger organisations are yet to turn their long period in practice or potentially its size of any favourable position in improving valuer’s exposure of and utilization of the valuation standards. In any case, the continuous measures as well as the moves made which are herein recommended will yield ideal upgrade for best practice standards if only member valuers and firms benefit themselves of the advantage and are willing to embrace vital difference in practice.

Overall, it is one thing to set standards which may not be easy to come by, and it is something else for the professional members to agree to such set standards. In this regard, NIESV and ESVARBON should therefore follow up the set standards in the Green book by enforcement and imposition of sanctions on the erring members after maximum awareness of and utilization of the Green book probably been created among the members.

**5.3 Recommendations**

In light of the significant discoveries of the analysis, accompanying suggestions were made:

1. Measures must be taken by NIESV/ESVARBON to support the development of bigger firms through mergers and acquisitions. These would cause firms be in a superior position to fund research, boaster a standard library, advance specialized skill, finance staff training and acquisition of vital technology, and manage the cost of better geographical spread, among others.
2. Valuation firms ought to be urged to set up a system of maintaining far-fetched level for incorrect valuations identified sneak past set of standards. The widely recognized is inside peer assessment. This can be successful only when firms establish quality control unit, by which any valuation report sealed and marked is examined and screened by a qualified and skilled valuer in limiting errors, oversights with incompetent valuation evidences.
3. NIESV and ESVARBON should proceed with the mandatory training and workshop on the utilization of Nigerian Valuation Standards Green Book at the state and national level for better geographical spread to build the awareness level in light of the fact that the document is still unpopular as it is right now scarcely utilized by certain professionals. This will help improve knowledge in its training and bridge the professional gap.
4. The regulatory bodies (NIESV and ESVARBON), would need to expand regional maximum building via classroom based and outside classroom, ceaseless skill advancement; procurement of information technology software, a focal information bank, investigate, compelling dispersal research discoveries and should also support research as the occasion demands and organise symposiums on utilization of valuation standards in practice.
5. NIESV and ESVARBON should wake up to their supervisory job of ensuring that members stick to the provision of valuation standards with an attendant sanction on a material breach of its arrangement.
6. It is suggested that valuers ought to be under severe commitment on consenting to property value certification and some other key things in the minimum content of the valuation reporting in order not to disobey the rules or laws. This can act as a point of reference in arbitration of harm stir by failure to act cases when taken to NIESV Ethics and Professional Committee and courts as well.

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**APPENDIX 1**: Questionnaire

**FEDERAL UNIVERSITY OF TECHNOLOGY MINNA**

**DEPARTMENT OF ESTATE MANAGEMENT**

A questionnaire forEstate Surveyors and Valuers who are heads of practice or heads of valuation unit/department of firms of professional real estate valuation firms in Lagos, Nigeria.

Dear Sir/Madam

This questionnaire is for a research titled “**Analysis of Adherence to Valuation Standards and Property Value Certification by Estate Surveying and Valuation Firms in Lagos, Nigeria”.** The researcher is a Masters student of the Department of Estate Management, Federal University of Technology, Minna. Kindly respond by ticking (√) objectively and honestly please. You can tick more than one option where necessary. All the information you provide will be used solely for academic purpose and your opinion(s) will be treated strictly in confidence.

**Nwakpuda Ndubueze James (Researcher).**

**SECTION I**

**Valuers Firm Profile**

1. Is the firm a sole proprietorship? Yes ( ). No ( )
2. Is the firm more than 5 years in operation? Yes ( ). No ( )
3. Is the firm having more than one branch? Yes ( ). No ( )
4. Is the firm having more than 5 registered Valuers? Yes ( ). No ( )
5. Is the firm having affiliation with foreign firms or has a branch outside Nigeria? Yes ( ). No ( )
6. Is the firm having a separate Valuation department/unit? Yes ( ). No ( )
7. Is the firm carrying out more than 5 valuations on an average per month? Yes ( ). No ( )
8. Is the firm using industry-based valuation software? Yes ( ). No ( )
9. Is the firm maintaining formalized data banking? Yes ( ). No ( )
10. Is the firm having a distinct Information Technology unit? Yes ( ). No ( )
11. Is the firm having distinct research unit/department? Yes ( ). No ( )
12. Is the firm having a functional study library? Yes ( ). No ( )

**SECTION II**

1. **Valuers Awareness to Valuation Standard**
2. Are you aware that there is a valuation standard? Please tick.

Yes ( ). No ( )

If yes, how long?

1-5 Years ( ), 6-10 Years ( ), 11-15 Years ( ), above 15 years ( )

1. **Existing Valuation Standards**
2. Please indicate the available existing valuation standards you know? Please you can tick more than one option.

NIESV ( ), IVS ( ), RICS ( ), EVS ( ), USPAP ( ), ANZPVS ( )

Others (Please specify) ------------------------------------------------------

1. **Valuation Standards Mostly Adhered in Practice**
2. Which of the identified valuation standards do you comply mostly with in Practice? Please tick.

NIESV ( ), IVS ( ), RICS ( ), EVS ( ), USPAP ( ), ANZPVS ( )

NONE ( )

1. **Valuation Standards Manual Mostly Used in Practice**
2. Which valuation standards manual do you mostly use in Practice? Please tick.

NIESV ( ), IVSC ( ), RICS ( ), TEGOVA ( ), NONE ( ),

1. **Valuation Approach/Method Employed in Valuing Residential and Commercial Properties**
2. Which valuation approach/method do you use mostly in Practice? Please tick.
3. Market (Comparative) ( )
4. Income Capitalization (Investment) ( )
5. Cost (Depreciated Replacement Cost) ( )
6. Market + Income Capitalization ( )
7. Market + Cost ( )
8. Income + Cost ( )
9. Market + Income + Cost ( )
10. Discounted Cash Flow (DCF) ( )
11. Others (Please specify)......................................................................
12. **Valuation Method Employed to Estimate Accrued Depreciation**
13. Which method do you often use to estimate accrued depreciation? Please Tick.
14. Formula/figure pre-determined by the firm ( )
15. Straight-line / Overall (age-life) method based on physical deterioration state of property on inspection ( )
16. Specific allowance for functional obsolescence ( )
17. Specific allowance for economic obsolescence ( )
18. Others (Please specify).................................................................................
19. **Valuation Method Employed to Estimate Outgoings**
20. Which method do you often use to estimate outgoings? Please Tick
21. Formula/figure pre-determined by the firm ( )
22. Reference to actual amount spent on the subject property ( )
23. Reference to amount spent on similar property ( )
24. Reference to textbook recommendations ( )
25. Rule of thumb based on the physical state and use of the property ( )
26. Others (Please specify)..................................................................................
27. **Valuation Method Employed to Estimate Yield**
28. Which method do you often use to estimate yield? Please Tick.
29. Market Analysis ( )
30. Pre-determined figures as provided by the firm based on the property type and location ( )
31. Theoretical calculations ( )
32. Rule of thumb based on the property type and location ( )
33. Others (Please specify)........................................................................................

**APPENDIX II**: Evaluation Sheet



**FEDERAL UNIVERSITY OF TECHNOLOGY MINNA**

**DEPARTMENT OF ESTATE MANAGEMENT**

**MINIMUM CONTENT OF VALUATION REPORT: COMPLYING WITH IVS SCOPE OF WORK ON GENERAL REQUIREMENT**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Valuation Report Subheads** | **Included** | **Not Included** |
| 1 | Identification and status of valuer |  |  |
| 2 | Identification of the client and any other intended user |  |  |
| 3 | Asset being valued |  |  |
| 4 | Purpose of the valuation |  |  |
| 5 | Basis of value |  |  |
| 6 | Valuation date |  |  |
| 7 | Nature and sources of information relied upon |  |  |
| 8 | Nature and extent of investigation (valuers work) |  |  |
| 9 | Assumptions and special assumptions |  |  |
| 10 | Valuation Approach and Reasoning |  |  |
| 11 | Amount of the Valuation or Valuations (Currency) |  |  |
| 12 | Restriction on use, Distribution or publication |  |  |
| 13 | Statement of compliance with IVS or any standards (Certification) |  |  |
| 14 | Signature and Stamp |  |  |
| 15 | Date of Valuation Report |  |  |