Quality of Valuation Reports among Nigerian Valuers and Compliance with Valuation Standards

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ABSTRACT

Valuation has been the subject of scrutiny in recent times by property professionals and investors seeing the strategic relevance of valuation as surrogate for market price and tool for investment decision. The study aimed at investigating the quality of valuation reports among Nigerian valuers with a view to improving standard of valuation practice in the country. The paper adopted mixed method approach by administering questionnaires to estate surveying and valuation firms in Abuja, Lagos and Port Harcourt as the most active property markets in Nigeria. Valuation reports were retrieved from valuation firms in the study areas. The data obtained from questionnaires were analyzed using descriptive and inferential statistics; while the retrieved valuation reports were analyzed using content analysis. The study revealed that significant number of valuers do not comply with the provision of minimum reporting content of the Valuation Standards and often interchange the purpose of valuation with basis of valuation. The paper recommended among other things that the professional regulatory body should establish quality control unit to monitor the extent of compliance with valuation standards. Valuers should be trained and retrained through mandatory continuous professional development programmes by the regulatory authorities on valuation reporting.

Keywords: Compliance, Quality, Valuation reports, Valuation standards.

1. INTRODUCTION

Attention among real property professionals has been shifted to valuation since after the property crash in the UK in the early 1970s and also saving and loan crisis in the USA in the 1980s. These property and financial debacles in the UK and US were attributed to poor valuations (Gambo, 2014). This prompted the establishment of valuation standards at various levels in Europe and US so as to guide professional valuers in the conduct of their valuation assignments. The valuation standards manual is a summary of best practice and generally established criteria that are recognized and adopted by professional valuers to guide their conduct so as to ensure reliability, effectiveness and transparency in their valuation services. According to Ajayi (2009), valuation standards are quality control principles (mandatory rules, best practice guidance and related commentary) for valuers under the direction of a valuation regulatory body on how to undertake and report valuations, especially those that would be relied upon by international investors and other third-party stakeholders. Therefore, valuation standard manual provides practical guide on what valuers should do than how they should do; and also contains prerequisite of reporting valuation assignment under the minimum reporting content in the scope of work.

Valuation reports as put by Alebiosu (2017), is the provision of written option on capital value or price or rental value of any given basis regarding an interest in property, with or without associated information, assumption or qualification. For the purpose of this paper, valuation report is a documented opinion of capital value, selling price and/or rental value of an interest in property based on acceptable professional standards. In Nigeria, there is increasing concern over the quality of valuation practice among valuers (Gambo, 2010). This is distilled from the valuation reporting of valuers' clients which is greeted with so much dissatisfaction (Adegoke, Olaleye, & Oloyede, 2011; Ayedun, Ogunba & Oloyede, 2011). Gambo (2010) remarked that what most valuers present in their reporting is mere certification for fee rather than an all-inclusive valuation report as a professional document that represents the client's interest in an investment environment. Recently, the Asset Management Corporation of Nigeria (AMCON) has blamed valuers for inability to dispose huge assets due to overvaluation (Gambo, 2015). This blame on inappropriate valuation has negative impact on the profession. Perhaps, the doubt cast on valuation compelled some commercial banks to come up with valuation templates to guide valuers on their requirements. This development is worrisome and disingenuous. It is against the foregoing that this paper will examine the issues in valuation reporting among Nigerian valuers with a view to determining the extent of compliance with the provisions of globally acceptable valuation standards thereby improving the quality of valuation practice in the country. To achieve the study's aim, the paper will seek to determine extent of valuers' compliance with various aspects of the valuation standards. Various valuation standard manuals have provided minimum reporting content that each valuation report should contain (Gambo, 2015). This minimum reporting content known as scope of work in the International Valuation Standards is used as a benchmark to assess each valuation report to ascertain extent of compliance with the minimum reporting content of the valuation standards.

2. REVIEW OF RELATED LITERATURE

Valuation report is a document which contains the professional opinion of professional valuer and portrays professional competence of a valuer or valuation firm on the value of a property at a given period of time for a specific purpose. It is important that the valuation report communicates the information necessary for proper understanding of the valuation. A report must provide the intended users with a clear understanding of the valuation. A poorly prepared valuation report creates a bad impression of the valuer or valuation firm. Where carelessly prepared or poorly communicated valuation is the practice, it may reflect negatively on the credibility of the valuation profession as a whole. The fast-changing nature of the global investment market and sophistication of the investors underscore the need for valuation reports that are objective, transparent and are consistent with global acceptable standards.

A valuation is the opinion of a professional valuer of the worth of an interest in property on a defined basis at a particular date in time, for a specified purpose predicated upon relevant assumptions. The valuation report is the formal communication of this value opinion to the client. Valuation report may be oral or written. Oral valuation reports are those that are communicated verbally in person or by telephone. A written valuation report is communicated in writing and can be in form of valuation certificate, model valuation report (proforma) or comprehensive (narrative) report. A model or proforma report is a report that satisfies minimum requirements or conforms to a specified format. It is made up of special form designed to record relevant data and value conclusions. This type of report is usually used by banks and government institutions that process large number of valuation reports. The narrative report is a detailed report that takes the user through the valuation processes to a convincing estimate of value. Valuation certificate is an abridged form of the narrative report. What differentiates the three reports is the detail of information provided.

The nature, style, form, content and length of valuation reports are determined by the combination of client's and legal requirements; property type; and complexity of the valuation assignment (IVSC, 2011). However, there is minimum content and standard of reporting below which a valuation report may be considered ambiguous, incomplete or misleading thereby failing short of acceptable standard.

The Royal Institution of Chartered Surveyors (RICS) in the United Kingdom (UK) has made effort to address issues affecting quality of the valuation process and valuation reports

(RICS, 2003). Waters Report (2000) assessed valuers' compliance with the reporting standards in the UK and strengthened valuers' quality of reporting. In the US, earlier studies by Colwell & Trefzger (1992); and Lahey, Ott and Lahey (1993) reported the significant contribution of the Financial Institution Reform, Recovery and Enforcement Act in improving appraisal standards in the US.

The Introduction of uniform standards of professional appraisal practice by the Appraisal Institute in 1999 further improved the quality of valuation reporting in the US (Tosh & Rayburn, 1999). Similar unfolding events took place in Australia where the Australian Property Institute (API) has been proactive in developing valuation practice standards to guide valuers in the conduct of their professional service delivery (API, 2004). The Australian Property Institute also developed valuation risk management procedures in 2003 in addition to its national valuation standards. Over the years, efforts have been directed towards development of regional valuation standards in Europe by the European Group of Valuers Association (TEGOVA), and also the International Valuation Standards by the International Valuation Standards Council (McParland, Adair & McGreal, 2002).

In addition to these developments regarding professional valuation standards in ensuring uniformity and clarity in valuers' service delivery, there has been research by property professionals on the valuation process and quality of valuation reports in Europe, US and Australia (Newell & Fibbens, 1991; Smith, 1994; Newell, 1999, 2005)

The minimum reporting contents of a valuation reports as set out in the valuation standard specifies in clear and unambiguous terms what each valuation report should contain. The report should not be ambiguous or misleading; neither should it create a false impression (IVSC, 2022). This minimum reporting content is used as a benchmark to determine compliance with the provision of valuation standards.

Gambo (2010) investigated the quality of valuation practice among valuers in Bauchi metropolis in northern Nigeria. The study was prompted by the growing concern over valuation practice in recent times. The author used quantitative data for the study. He collected 20 valuation reports-one from each of the 20 practicing valuation firms in the state. This by implication represents total enumeration of the entire sample frame. The study used the 2003 edition of the IVS as a benchmark to examine whether valuers are complying with the standards' minimum content of the scope of work provided in the international valuation standards. The study revealed that all the reports contained identity of the client and the valuer; 20% of the valuers did not include date of the valuation instruction; 20% of the valuers mistook purpose of valuation for basis of valuation; 5% did not report basis of value. It was found that 5% failed to indicate the tenure and type of interest valued; 10% did not indicate date of inspection and effective date of valuation. It was also found that 15% of the valuation reports had no compliance statement but all contain professional qualification of the valuers. The author recommended that the regulatory bodies-NIESV and ESVARBON should rise to their responsibilities and play their supervisory role of ensuring strict compliance with the minimum content provisions in the standards so as to gain and maintain confidence of users of valuation services. The study was limited in scope because it examined only 20 valuation reports in a metropolitan state in the northern part of the country with obvious absence of a vibrant property market and scanty presence of property professionals. As such, the findings cannot be used to ascertain the current state of valuation practice in the region not to talk of Nigeria as a whole.

Recent developments in Nigeria show that users of valuation, particularly banks cast doubts on valuations carried out by valuers, and these valuations are not a good proxy for sales and mortgage transactions (Aluko, 2000; Adegoke et al 2011; Ayedun et al 2011) This situation probably compelled some banks to come up with their valuation templates and enlist valuers who will be consultants for them.

It is in view of the foregoing that Adjekophori, Okpaleke, Omorogieva and Emeghe (2014) investigated the implication of valuers' enlistment and fees standardization by banks on real estate profession in Nigeria. They reported that banks are now in the habit of enlisting (selecting) valuation firms for secured lending valuation jobs. The banks have their set of divergent and unilateral bases for selecting valuers and also dictate fees payable to the retained valuers. The authors lamented that banks adopted criteria that are not properly aligned to the nature, purpose, location and magnitude of the job as bases for payment for professional services. Their findings revealed that the enlistment policies are not broad based and has excluded a wide range of qualified practitioners. Further implications of that practice as reported by the study was that it creates 'black market' (unofficial) fee structure, tight cost -fees ratio, creeping loss of interest by valuers in credit based (lending) valuations, low quality reports, and dwindled capacity of firms to engage and retain experienced valuers. The authors also reported reasons advanced by the banks for engaging in this two-pronged practice basically as a cost saving strategy; to address issues of connivance, compromise and corrupting influences; to promote retail/consumer banking; and proliferation of valuation firms. Despite the daunting challenges, the study recommended that valuers should uphold professional ethics by sustaining quality and professional standards. Also, that the mutual relationship between banking and valuation sectors required a proactive regulatory intervention by stakeholders so as to avoid compromising the strategic risk management function of valuation.

This development led some banks to come up with valuation templates which valuers must strictly adhere to in reporting to the banks for lending purposes. This perhaps is a reflection that the banks are not satisfied with the level of valuers' thoroughness in valuation reporting. The templates represent banks' minimum (in this case maximum) reporting standard. In assessing the current standard of valuation practice in Nigeria, Babawale (2012) examined the application of valuation standards among valuers in Lagos metropolis with a view to establishing the extent to which Nigerian valuation practice is responding to international standards and best practices using transparency, rationality and consistency as the main criteria. The study adopted a survey approach and administered structured questionnaires to practicing valuation firms in Lagos out of which 250 responses were received. This constitutes 60% of the total sample frame of 415 practicing firms in Lagos. The study also retrieved 70 valuation reports from valuation firms operating in Lagos. The author used IVSC's and RICS' recommended minimum content of valuation reports as benchmark. The study revealed 5.64% of valuers do not make reference to any valuation standards while the remainder used one or a combination of the RICS Red Book or International Valuation Standards Council (IVSC) valuation standards. He remarked that NIESV valuation standard is more or less a replica of the IVSC's valuation standards.

The International Valuation Standards (IVS) sets out the minimum content of what should be contained in every report irrespective of the varying degree of valuation advice that may be provided. The scope of work in the IVS (IVS 101) sets out the agreed purpose of the valuation, the extent of investigation, procedure that will be adopted, assumptions that will be made and the limitations that will apply. The reporting content of various regional and national valuation standards are hereunder examined:

Table 1 Minimum Reporting Content of some Valuation Standards Manual

IVSC (White Book) Content	RICS Red Book Content	TEGoVa (Blue Book) Content
-The identity of the valuer	-Identification of the valuer	-The client's identity
-The identity of the client(s)	-Identity of the client	The purpose of the valuation
-The identity of other intended users (if any)	-identity of other intended users (if any)	The physical property to be valued
-Asset(s) being valued		-The ownership
-The valuation Currency	-Asset(s) being valued	The basis or bases of value
-Purpose of the valuation	-The valuation currency	-A specific valuation date, not "as the date of valuation"
-Basis/Bases of value	-Purpose of the valuation	-Confirmation that no conflict of interest
-Valuation date	-Basis/bases of value used	-The identity and status of the valuer
-Extent of investigation	-Valuation date	-All assumptions and special assumptions
-Nature and source of information relied upon	-The nature and extent of the valuer's work and any limitations thereon	-The scope and extent of investigations
-Significant and/or special assumptions	-The nature and source of information upon which the valuer relies	-Reliance placed on information provided by the client
-Type of report being prepared	-Significant and/or special assumptions	-Any restriction placed on publication
-Restriction on use	-The type of report being prepared	-The extent to which a duty of care will be provided
-Confirmation that the valuation has been undertaken in accordance with the IVS	-Restrictions on use, distribution and publication of the report	-Compliance, where appropriate, with European valuation standards
	-That the valuation will be prepared in compliance with IVS	-The basis of fee to be charged
		-Basic disclaimer
		-Timetable for work

Table 2 Minimum Reporting Content of some Valuation Standards Manual

THE AUSTRALIAN AND NEW ZEALAND'S PROPERTY AND VALUATION STANDARDS, ANZPVS	THE HONG KONG INSTITUTE OF SURVEYORS' VALUATION STANDARDS	THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE	NIGERIA'S VALUATION STANDARDS (GREEN BOOK)
1. Instruction	a) The identity of the client	i) The identity of the client and any intended user(s)	a) Identity of the valuer
2. Purpose	b) The purpose of the valuation;	ii) The intended use of the appraisal;	b) Identity of the client(s)
3. Date of valuation	c) The subject of the valuation;	iii) Summarized information sufficient to identify the real estate involved in the appraisal including the physical.	c) Identity of other intended user(s) (if any)
4. Basis of valuation	d) The interest to be valued;	iv) state the real property interest appraised	d) Asset(s) being valued
5. Methodology, Reconciliation and Value Range	e)The basis or bases of valuation;	v) state the type and definition of value and cite the source of the definition	e) The valuation currency
6. Legal Description	f) The valuation date;	vi) state the effective date of the appraisal and the date of the report	f) Purpose of the valuation
7. Nature of interest	g) The status of the valuer and where appropriate and applicable, the disclosure of any material involvement, previously or current;	vii) summarize the scope of work used to develop the appraisal	g) The basis/bases of value used
8. Lease or license details	h)The currency in which valuation is to be expressed;	viii) summarize the information analyzed	h) Valuation date
9. Dimensions and Area	i)Assumptions, special assumptions, reservations, any special instructions or departures	ix) state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal;	i) The nature and extent of the valuer's work and any limitations thereon
10. Location and Locality	j) The extent of the valuer's inspections and investigations;	x) when an opinion of highest and best use was developed by the appraiser	j) The nature and sources of information upon which the valuer relies
11. Town planning/Resource Management	k)The nature and source of information;	xi) clearly and conspicuously: o State all extraordinary assumptions and hypothetical conditions; and o State that their use might have affected the assignment results; and	k) Significant assumptions and/or special assumptions
12. Site, services and environmental Hazards	l)Aany consent to, or restrictions on publication;	xii) include a signed certificate in accordance with USPAP Standards Rule 2-3	l) The type of report being prepared
13. Structural Improvement	m) Any limits or exclusion of liability to parties other than the client;		m) Restriction on use, distribution and publication of the report
14. Lease(s)	n) The confirmation that the valuation complies with the requirements set out in the standards;		n) Compliance statement
15. Outgoings and Recoveries	o) A statement or description of the valuation approach;		
16. Marketability	p) The analytical process and empirical data used to arrive at the value conclusion;		
17. Further investigation other experts	q) A statement of valuer's competency in performing the valuation;		
18. Condition of the market	r)The opinions of value in figures and words;		

19. Market Evidence	s) The name and signature of the valuers; and
20. Single Valuation Figure	t) The date of the report
21. Sale in One Line or Single Transaction	
22. Property Development	
23. General Market Advice	
24. Going concerns	
25. Disclaimer and Qualifications	
26. Signing the Report (endorsement)	

The various valuation standard manuals have captured basically what is required to be contained in a valuation report. However, there are some peculiarities noted in these valuation standards manual. A close examination showed that the Hong Kong Institute of Surveyors' Valuation Standard contains similar minimum reporting content with that of RICS Valuation Standard (Red Book); the only difference is in the alphabetical arrangements of how these requirements appear. The International Valuation Standards has not specified signature of the valuer. So also, TEGOVA's Valuation Standards has not specified signature of the valuer. Definition of the type of value to be estimated is missing in almost all the valuation standards except the USPAP. In all the Valuation Standards Manual examined, it is Australian and New Zealand's Property and Valuation Standards that captures legal description of the property (different from type of interest), location and locality (neighborhood analysis), town planning requirements, site, services and environmental hazards (level of risk), marketability and markets advice (market analysis). Although what the International Valuation Standards provide is the 'minimum requirements' that is expected in any valuation standard manual provided at regional or national level and depending on the peculiarities of each market. For instance, in Nigeria, it is expected that valuers include pictures of the property in the report or as appendix due to cases of hypothetical valuation of properties that never existed. The first edition of the Nigeria's valuation standard has scanty minimum reporting requirements. However, the most recent published Nigeria's valuation standards (Green Book) have incorporated IVSC's minimum reporting content under the scope of work. None of the regional or national valuation standards manual gives guidance on compensation on bases of market value. These are obvious gaps that need to be addressed by national valuation standards depending on the peculiarities of the market. Even the most recent published Nigeria's valuation standards (Green Book) failed to capture such peculiarities on valuation for compensation and margin of valuation error. However, the Australia and New Zealand's Property and Valuation Standard is discovered to be more comprehensive for valuation of real property.

3. METHODOLOGY

Estate Surveying and Valuation firms in Abuja, Lagos and Port Harcourt constitute the population of the Study. These cities were considered for the study because they have the country's most active real property markets and are home to more than 60 per cent of the country's Estate Surveying and Valuation firms (Ogunba 2013; Gambo 2015). There are 768 Valuation firms in Nigeria. Of the 768 firms, Lagos has 320 firms; Abuja records 105 while 55 are in Port Harcourt, according to published NIESV Directory (2014). The practicing valuation firms in the study areas represent 63% of the total number of practicing firms in the country, which is a good number for generalization. The study adopted both quantitative and qualitative approach by administering questionnaires and retrieving valuation reports from valuation firms in the study area for content analysis. The first part of the questionnaire asked about the respondents' socioeconomic and educational backgrounds, years of practice, gender, position in the firm, and academic qualifications. The second part asked a complementary question to deduce valuers' extent of compliance with the provision of valuation standards. A total number of 182 valuation reports were retrieved from valuation firms for content analysis. Deductive content analysis was employed to analyze the valuation reports.

Table 3: Distribution of Professional Valuation Firms Distribution in the Areas

Location	Total No of Valuation Firms	Sample Size Achieved	Valuation Reports Retrieved
Abj	105	87 (83%)	32 (30%)
Lag	320	203 (63%)	128 (40%)
PH	55	48 (87%)	22 (40)
Total	**480**	**338 (70%)**	**182 (38%)**

Content analysis was employed to assess valuation reports so as to establish the level of compliance with the provision of international valuation standards scope of work which provides for minimum reporting content each valuation should reflect.

4. RESULTS AND DISCUSSION

4.1. Compliance with Valuation Standards by Nigerian valuers in practice

Here, a collection of 182 valuation reports across Abuja, Lagos and Port Harcourt were examined to find out the level of compliance with the provision of minimum reporting requirements of the International Valuation Standards. This was achieved by content analysis presented hereunder:

Content analysis was employed to investigate the valuation reports using international valuation standards minimum reporting content as a benchmark. Each requirement properly reported in the valuation report was rated 'included'; those wrongly reported were rated 'wrongly included'; while those not reported at all were rated 'not included'. Those requirements wrongly included and not included were classified together as non-compliance on cut-off mark of ≥35% benchmark. Also, a confirmatory test was carried out to determine if valuers consult and comply with the provision of the standards in practice by asking them whether or not they report forced sale value while carrying out mortgage valuation. The valuation standards since 2003 forbade valuers from reporting forced sale value to the lending institution. This specific provision was used as a criterion for confirming if valuers comply or not with the provisions of the valuation standards. This confirmatory test was used to complement the content analysis and perceptions of valuers obtained from survey instrument. Valuations for mortgage purposes were used as a confirmatory test because banks and financial institutions are the highest users of valuation reports in Nigeria and the bulk of the valuations carried out by valuers are mostly for mortgage purposes for the lending institution or for the borrower as an independent valuation. Table 4 presents the result of the document content analysis which shows that 72% of the valuation reports did not capture the purpose of the valuation, 89% did not report the scope of the valuation, and 94% did not include nature and source of information, while 45% failed to indicate the date and extent of investigation. It can be seen that as many as 84% of the valuers' valuation reports made no reference to planning approval, 70% did not report state of repairs of the property, 97% did not capture market and industry analysis, while 99% did not contain risk analysis. Also, alarming is the fact that all the valuation reports have no evidence of evaluation of sustainability issues, and 60% of the valuers failed to present correctly the basis of valuation, while 84% did not report effective date of the valuation as different from the date the valuation report was prepared. Similarly, 40% of the reports did not indicate the date of the valuation report distinct from the date the valuation computation was done, and 37% of the valuers did not include restrictions on use or publication in their report, while 68% failed to report compliance statement.

Table 4: Results of Document Content Analysis (N=182)

Requirement (a)	Included (b)	Wrongly Included (c)	Not included % (d)	Non-compliance % [(c +d)100/182]	Remark
Instructions/Brief	182	0	0	0	Compliance
Identity &Status of Valuer	172	0	10	5	Compliance
Identity of Client	180	0	2	1	Compliance
The Subject of Valuation	175	0	7	4	Compliance
Purpose of Valuation	51	116	15	72*	Non-compliance
Scope of Valuation Assist.	20	0	162	89*	Non-compliance
Nature &Source of Information	11	0	171	94*	Non-compliance
Date & Extent of Investigation	101	60	21	45*	Non-compliance
Planning Approval	30	0	152	84*	Non-compliance
State of repairs of the property	54	0	128	70*	Non-compliance
Description of physical characteristics of property	179	0	3	2	Compliance
Assumption and special assumptions	182	0	0	0	Compliance
Description of legal characteristics of property	175	0	7	4	Compliance
Market and Industry analysis	6	0	176	97*	Non-compliance
Risk analysis	1	0	181	99*	Non-compliance
Evidence of Sustainability	0	0	182	100*	Non-compliance
Basis of value	73	106	3	60*	Non-compliance
Valuation Approach and reasoning	170	0	12	7	Compliance
Effective date of valuation	29	1	152	84*	Non-compliance
Amount of valuation in word and figure	177	0	5	3	Compliance
Date of the valuation report	115	9	64	40*	Non-compliance
Restriction on use or distribution (Caveat)	115	0	67	37*	Non-compliance
Compliance statement	59	0	123	68*	Non-compliance
Signature and stamp	182	0	0	0	Compliance
Pictorial representation of the property	161	0	21	12	Compliance

Included=1, Wrongly Included=2, Not Included=3; cut-off mark for non-compliance≥35%

It is interesting to note that where valuers complied with the required minimum reporting contents, there was a high rate of compliance. For instance, all the sampled valuers reported the instruction or brief from the client; assumption and special assumptions; they made and appended the signature and stamp of the valuer. It can be said that compliance among valuers was in reporting basic preliminary aspects of valuation covering the brief (instruction); identification of client, and valuer; assumptions and description of the physical and legal characteristics of the property. On the other hand, on the most critical aspects of valuation reporting such as market and industry analysis, risk analysis, and most recently integrating sustainability the level of compliance was abysmal. It was also found that valuers wrongly reported purposes and bases of valuations, most times interchanging their contextual meaning. For instance, 116 (64%) wrongly reported that the purpose of the valuation is 'to determine open market value'; while 106 (58%) reported that the basis of the valuation is 'to determine forced sale value'. Whereas the international valuation standard forbids valuers from reporting forced sale value which is not even a basis of value, as it is a premise under liquidation value. Similarly, open market value is not a purpose for any valuation as it is one of the bases of valuation. Moreover, the term 'open market value' is no more in use. It is now referred to as 'Market Value'.

A previous study by Gambo (2010) revealed that 20% of the valuers did not include date of the valuation instruction; 20% of the valuers mistook purpose of valuation for basis of valuation; 5% did not report basis of value. It was found that 10% did not indicate date of inspection and effective date of valuation. It was also found that 15% of the valuation reports had no compliance statement but all contain professional qualification of the valuers. Similarly, a study by Babawale (2012) reported that 31% of the reports analyzed did not indicate the purpose of the valuation; 33% failed to indicate the scope of investigation carried out; while a striking 77% did not reflect the effective date of the valuation as distinct from the date the valuation report was prepared. It was further shown that 63% failed to disclose the source of information referred to; 80% did not indicate whether the subject property had planning approval nor did they reflect highest and best use analysis. The examination revealed only 6% provided evidence of rent, capital value or yield; and none of the 70 valuation reports analyzed applied any statistical technique for the data analyzed. It is obvious there is high rate of non-compliance in the area of reporting purpose of valuation, effective date of valuation, planning approval and reporting source of information.

Table 5: Extent of Nigerian Valuers' Compliance with aspects of Valuation Standards

	Frequency								
Valuation Standards Aspect	**1**	**2**	**3**	**4**	**5**	**Mean Response**	**Category**	**Extent**	**Remark**
Grand Mean Response						**1.61**	**2**	**1.00**	
Guidance Notes	208	50	26	25	29	1.87	2	1.09	High
Minimum Reporting Content	228	54	25	21	10	1.61	2	0.94	Low
Valuation Applications	260	32	17	15	14	1.49	1	0.87	Low
Basis of Valuation	136	40	92	29	41	2.41	2	1.41	High
Investigations	275	21	11	11	20	1.46	1	0.85	Low
Glossary	274	26	14	14	10	1.40	1	0.82	Low
Grand Mean Response						**1.71**	**2**	**1.00**	

Never (1), Rarely (2), Sometimes (3), Most times (4), Always (5)

The content analysis was complemented by valuers' responses as contained in Table 5 which shows that valuers rarely comply with Guidance Notes on Special Valuation, Minimum Reporting Content, and Basis of Valuation with a mean score of 1.87, 1.61 and 2.41 respectively. It was found that valuers hardly comply with standards on Valuation Application on Financial Reporting; Investigation (verification of information); and Glossary with mean score of 1.49, 1.46 and 1.40 respectively. The overall result indicates that valuers rarely comply with valuation standards with mean score of 1.71 and corresponding categorical ranking of 2.

Table 6: Forced Sale Value Reporting to the Banks in Mortgage Valuation

Location		Frequency	Percent	Valid Percent	Cumulative Percent
Abuja	Never	4	4.6	4.6	4.6
	Rarely	1	1.1	1.1	5.7
	Sometimes	2	2.3	2.3	8.0
	Most times	9	10.3	10.3	18.4
	Always	71	81.6	81.6	100.0
	Total	**87**	**100.0**	**100.0**	
Lagos	Never	13	6.4	6.4	6.4
	Rarely	6	3.0	3.0	9.4
	Sometimes	4	2.0	2.0	11.3
	Most times	53	26.1	26.1	37.4
	Always	127	62.6	62.6	100.0
	Total	**203**	**100.0**	**100.0**	
PH	Most times	2	4.2	4.2	4.2
	Always	46	95.8	95.8	100.0
	Total	**48**	**100.0**	**100.0**	
	Never	17	5.0	5.0	5.0
	Rarely	7	2.1	2.1	7.1
	Sometimes	6	1.8	1.8	8.9
	Most times	64	18.9	18.9	27.8
	Always	244	72.2	72.2	100.0
	Grand Total	**338**	**100.0**	**100.0**	

The confirmatory test revealed that valuers in Abuja, Lagos and Port Harcourt always report forced sale value in mortgage valuation reports. It can be seen that in Abuja 9 (10.3%) of the valuer's report forced sale value most of the times. In Lagos most times 53 (26.1%) valuers report forced sale value, while in Port Harcourt only 2 (4.2%) of the sampled valuers report forced sale value in valuation reports or mortgage purposes. In Abuja only 4 (4.6%) valuers never reported forced sale value and 13 (6.4%) in Lagos. The overall result shows that only 17 (5.0%) never reported forced sale value in their valuation for mortgage purposes, 7 (2.1%) rarely report forced sale value, 6 (1.8%) sometimes report forced sale value, and 64 (18.9%) most times report forced sale value, while an overwhelming majority of 244 (72.2%) always report forced sale value. Thus, we can conclude that valuers do not comply with the provisions of valuation standards.

5. CONCLUSION

Valuation confers professional independence on the Estate Surveying and Valuation profession. A poorly communicated valuation report creates bad impression of the valuer or valuation firm. Where end users of valuation continually cast doubt on the reliability of valuation, it may reflect negatively on the credibility of valuation profession as a whole.

Valuation standards are professional benchmarks or beacons that enable members to ensure that valuations produced by professional valuers achieve high standards of integrity, clarity, and objectivity and are reported in accordance with recognized bases that are appropriate for each purpose. Valuation standards are not concerned with 'what' valuers should do but rather with 'how' they should do it. Valuation standards are not so much concerned with valuation theory and methods as they are with the mechanics of practice including the assembly, interpretation and reporting of information relevant to the task of valuation. The standards provide a framework for best practice in the execution and delivery of valuations for different purposes but they do not instruct valuers on how to value.

The International Valuation Standards set minimum requirements for national and regional Standards to improve upon so as to reflect local peculiarities. There is need to incorporate our local peculiarities in our national valuation standards (Green Book) and avoid replication of

IVSC's standards and/or RICS standards. The Green Book and the regulatory body should address multiplicity of valuation templates by some end users. The templates cannot provide adequate guide for the valuer as review of the templates shows absence of compliance with the minimum reporting requirements of scope of work in the valuation standards.
Various national, regional and international valuation standards have set certain minimum standards that are required for professionally prepared valuation reports; there should be strict adherence to the provision of scope of work of such standards in all valuation reports.
The professional regulatory body should come up with quality control unit. This can be achieved by monitoring usage of adhesive stamp by way of depositing a copy of the valuation report with ESVARBON, where the adhesive stamps were used for such purposes. The regulatory body can also liaise with end users such as commercial banks to get copies of valuation reports submitted to them by valuers for periodic review.
There should be training and retraining of valuers on application of valuation standards by the regulatory body and the Institution through workshops, seminars, Mandatory Continuous Professional Development, symposia etc.

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