

# Factors Influencing Quality of Valuation Being Produced by Estate Surveying and Valuation Firms in Lagos Metropolis, Nigeria

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## ABSTRACT

This study examined the quality of valuation reports produced by estate surveying and valuation firms in Lagos Metropolis, Nigeria, aiming to identify key factors affecting professional standards. Using a survey design, 211 firms were randomly selected from 447 registered with ESVARBON, with 179 valid responses received, an 84.83% response rate. Descriptive statistics and exploratory factor analysis (EFA) revealed that valuation report quality is influenced by eight core components. Ethical practice ranked highest (mean = 4.20), followed by professional competence (4.14), objectivity and independence (4.13), and adherence to professional standards (4.13). These components explained 60.14% of the total variance. Clarity and transparency had the highest communality score (0.730), underscoring its importance in report credibility. The KMO value was 0.656, and Bartlett's Test of Sphericity was significant ( $\chi^2 = 453.793$ ,  $df = 190$ ,  $p < 0.001$ ), validating the data's suitability for factor analysis. The study concludes that ethical orientation, technical capacity, and regulatory standards are vital to valuation quality and calls for reforms through collaboration, training, and oversight.

**Keywords:** Valuation, Estate Surveying and Valuation Firms, Lagos, Factors, Quality

## INTRODUCTION

Property valuation is a critical function in the real estate sector, serving as the basis for decision-making by investors, financial institutions, government agencies, and individual property owners. A valuation report not only communicates the valuer's opinion of value but also demonstrates the level of professional expertise, methodological rigour, and compliance with regulatory standards. In mature property markets, valuation reports are expected to meet high standards of accuracy, transparency, and reliability, forming the foundation for trust and integrity in real estate transactions (Lusht, 2011; Levy & Schuck, 2005). However, in emerging markets such as Nigeria, concerns have been raised about the quality and consistency of valuation reports, particularly in the context of urban centres like Lagos, where real estate activities are most vibrant and complex.

Lagos Metropolis, the commercial nerve centre of Nigeria, hosts a significant concentration of estate surveying and valuation firms whose operations influence real estate market behaviour nationally. Despite the pivotal role these firms play, recurring criticisms have been levelled against the credibility and quality of their valuation reports. Studies have reported discrepancies in valuation outcomes for identical properties, poor documentation, inadequate disclosure of assumptions, and inconsistent adherence to valuation standards (Ajayi, 2003; Ogunba & Ajayi, 1998). Such inconsistencies not only undermine investor confidence but also pose systemic risks to the financial and mortgage sectors, which rely heavily on accurate valuations as collateral for lending (Amidu & Aluko, 2007).

Existing literature in the Nigerian context has extensively examined issues such as valuation variability (Ogunba & Ajayi, 1998; Amidu & Aluko, 2007), professional ethics (Obi et al., 2016), and standardization challenges (Kalu, 2001). However, there remains a paucity of empirical studies focusing on the systematic

assessment of the quality of valuation reports produced by practicing firms. Quality assessment entails evaluating whether reports conform to professional standards, include necessary disclosures, adopt appropriate methodologies, and serve the intended purpose effectively. This research gap is particularly pressing given the ongoing reforms in Nigeria's real estate sector, including efforts by the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) to strengthen regulatory oversight.

This study is therefore conceived to address the question: To what extent do the valuation reports prepared by Estate Surveying and Valuation firms in Lagos Metropolis conform to recognized professional and regulatory standards, and what are the factors influencing the quality assessment of the valuation reports of firms in the study area. The significance of this study lies in its potential contribution to improving professional practice, client satisfaction, and policy development. By systematically assessing the quality of valuation reports, the study will provide evidence-based insights that can inform the training of valuers, standard-setting processes, and regulatory enforcement mechanisms. Moreover, the findings are expected to enhance transparency and stakeholder trust in the valuation process, thereby supporting the development of a more robust and efficient real estate market in Nigeria.

## **LITERATURE REVIEW**

The valuation of real property is an indispensable function in the real estate ecosystem, bridging the interests of property owners, investors, financial institutions, governments, and various stakeholders who rely on valuation reports to inform high-stakes decisions. A valuation report, at its core, is not merely a figure or price tag attached to a property; it is a structured, evidence-based, and professionally accountable document that communicates the appraiser's considered judgment underpinned by verifiable data, clear assumptions, appropriate methodologies, and adherence to recognized standards (Lusht, 2011; Baum & Crosby, 2008). In both developed and emerging markets, the credibility and utility of valuation reports depend heavily on their quality, which includes dimensions such as clarity, transparency, accuracy, compliance, completeness, and defensibility.

Globally, the demand for high-quality valuation reports has intensified in recent years, driven by increasing complexity in property transactions, regulatory scrutiny, cross-border investments, and the integration of global standards such as the International Valuation Standards (IVS). Within the Sub-Saharan African context, and Nigeria in particular, the call for improved valuation quality has been persistent. Researchers and professionals alike have expressed concern about the variability and inconsistency in valuation outputs, especially within high-volume urban markets like Lagos Metropolis (Ogunba & Ajayi, 1998; Udoekanem, 2013; Amidu & Aluko, 2007). These concerns are not trivial, as valuation inaccuracies can lead to underperformance of real estate portfolios, lending defaults, taxation disputes, and in some cases, investment withdrawal due to lack of confidence in the market.

Numerous studies have noted the tendency of valuation reports in Nigeria to suffer from issues such as inadequate disclosure of assumptions, absence of clear methodology, inconsistent application of standards, and insufficient supporting documentation (Ajayi, 2003; Egbenta, 2011; Ajibola et al., 2011). In a study by Udoekanem (2013), a significant number of reports sampled in North Central Nigeria lacked key elements such as inspection details, valuation rationale, and reconciliation of methods. Similarly, Ogunba and Ajayi (1998) noted that discrepancies between valuers' estimates for the same properties could not always be explained by differences in assumptions or available data but often pointed to poor reporting practices and subjective discretion.

The Nigerian property market, particularly in Lagos, presents a unique valuation environment marked by information asymmetry, weak data infrastructure, informal property transactions, and high client expectations. As such, the onus is on estate surveying and valuation firms to adopt robust, standardized, and defensible reporting systems. While the Nigerian Valuation Standards (NVS), modelled in part after the IVS, have been developed to guide professional practice, enforcement remains a persistent challenge due to institutional and operational limitations (Egbenta, 2011; Oyetunji & Olaleye, 2016). The lack of a national central repository for transaction data further complicates the valuation process, making reliance on informal and anecdotal sources common, especially for residential and peri-urban properties (Ajibola et al., 2011).

In the international context, scholars such as French and Gabrielli (2004) and Crosby et al. (2010) have advanced the concept of valuation uncertainty as an inherent attribute of real estate markets. However, they emphasize that uncertainty can be managed and minimized through standardized reporting, peer review, and greater transparency in the valuation process. Institutional investors and financial institutions, in particular, have become increasingly vocal about the need for detailed, audit-compliant, and evidence-based valuation reports. This demand has contributed to the development of global best practices, including the Red Book published by the Royal Institution of Chartered Surveyors (RICS) and the IVS by the International Valuation Standards Council (IVSC), both of which outline minimum reporting requirements and valuation frameworks.

Despite these global advancements, many Nigerian estate surveyors and valuers continue to operate within professional cultures and market structures that do not consistently support high-quality reporting. The gap between local practice and global expectations is widened by insufficient regulatory sanctions, absence of compulsory valuation audits, and weak institutional monitoring mechanisms (Obi et al., 2016). Although professional associations such as the Nigerian Institution of Estate Surveyors and Valuers (NIESV) and ESVARBON have made attempts to raise the quality bar through training and continuing professional development, compliance remains varied across firms, especially between established and smaller-scale practices (Udoekanem et al., 2014).

### **Factors Influencing the Quality of Valuation Reports**

One of the most cited determinants of valuation quality is professional competence, which refers to the depth of education, training, and experience possessed by the individual valuer. Levy and Schuck (2005) argue that competent valuers are more likely to select the appropriate valuation approach, gather relevant market data, and interpret findings correctly, thereby improving report reliability. In Nigeria, empirical studies (Udoekanem et al., 2014; Ajayi, 2003) confirm that firms with a higher number of chartered valuers and those that invest in staff training produce better reports, both in structure and content.

The institutional framework and regulatory enforcement also shape the reporting environment. Weak oversight mechanisms reduce the incentive for firms to maintain high standards. Egbenta (2011) noted that even where standards are codified, such as the NVS, the lack of audit trails or penalties for non-compliance diminishes their effectiveness. The absence of peer-review systems and standardized templates leads to wide disparities in reporting formats and valuation approaches, even within the same geographical zone. Another significant factor is the degree of client influence. In a fee-for-service environment like Nigeria, valuers may be pressured to produce valuations that align with client expectations. Amidu and Aluko (2007) explored this phenomenon and concluded that valuers often compromise professional independence to retain clients or secure repeat engagements. Such influence may result in inflated or deflated values, unclear assumptions, or even omission of key risk disclosures, thereby undermining report quality.

Data availability and reliability are also central to quality reporting. The valuation process is highly dependent on access to accurate, recent, and comparable transaction data. In the Nigerian market, where formal transaction records are limited and prices are sometimes negotiated informally, valuers face the challenge of establishing fair market value with incomplete information (Ajibola et al., 2011). This data gap introduces room for estimation bias and impairs the consistency of valuation outcomes. Additionally, methodological standardization remains a major concern. While the IVS and NVS advocate the use of recognized approaches, such as the market comparison, cost, and income capitalization methods; valuers in practice often apply these inconsistently or without adequate justification. Ajayi (2003) found that even among firms claiming compliance with standards, discrepancies still exist in how methodologies are implemented and documented. The lack of a harmonized structure for presenting findings contributes to confusion among clients and third-party reviewers.

Finally, ethical orientation and professional integrity play an underlying role in determining whether valuers prioritize quality over convenience or commercial pressure. A valuer with strong ethical grounding is more

likely to resist client manipulation, disclose assumptions transparently, and seek peer input when necessary. Obi et al. (2016) found that ethical lapses often correlate with lapses in report quality, suggesting that technical competence must be complemented by moral commitment to uphold valuation principles.

From the literature reviewed, it is evident that valuation report quality is a multifaceted issue shaped by professional, operational, and institutional dynamics. While there is consensus on the need for quality reporting, much of the Nigerian research to date has concentrated on valuation variability and client influence, with limited systematic evaluation of actual report content. There is a need for empirical studies that assess valuation reports against clearly defined quality metrics, such as adherence to standards, presence of assumptions, methodological clarity, and level of disclosure. This study aims to bridge this gap by conducting a structured assessment of valuation reports produced by estate surveying and valuation firms in Lagos Metropolis, Nigeria. Through this, the study seeks to provide evidence-based recommendations to enhance reporting standards and professional accountability in the Nigerian valuation practice.

## METHODOLOGY

This study employed a survey research design, which enabled the collection of quantitative data through structured questionnaires from estate surveying and valuation firms operating within Lagos Metropolis, Nigeria. The design was deemed appropriate for evaluating current practices, adherence to professional standards, and the factors affecting the quality of valuation reports. The target population included all 447 registered estate surveying and valuation firms in Lagos Metropolis, as listed in the ESVARBON professional directory. These firms differ in size, experience, and area of specialization but are uniformly authorized to conduct property valuations across the country. To derive a statistically valid sample, the study adopted Yamane's (1973) formula as modified by Adams (2000), yielding a sample size of 211 firms. A simple random sampling technique was used to ensure each firm had an equal chance of selection, thereby enhancing the study's internal validity. Questionnaires were distributed to key personnel such as principal partners, senior valuers, and heads of valuation units; individuals directly involved in valuation report preparation and review. Out of the 211 questionnaires issued, 179 were successfully retrieved, representing an 84.83% response rate, which is considered adequate for meaningful analysis in real estate-related research. The collected data were analyzed using both descriptive and inferential statistical methods. Descriptive statistics, such as frequencies, percentages, means, and standard deviations; were employed to profile the firms and summarize valuation practices. To uncover deeper patterns and determinants of valuation report quality, factor analysis was conducted. This multivariate technique helped identify latent variables influencing reporting standards, thereby reducing data complexity and isolating the key components shaping valuation quality in the Nigerian context. All statistical analyses were performed using appropriate software tools, ensuring reliability and precision in interpreting the findings.

## DATA PRESENTATION AND ANALYSIS

Table 1: Profile of Estate Surveying and Valuation Firms

Characteristics	Classification	Frequency	Percentage (%)
Sex	Male	136	76.0
	Female	43	24.0
	<b>Total</b>	<b>179</b>	<b>100.0</b>
Academic Qualification	HND	8	4.5
	PGD	49	27.4
	Bsc/B.tech	74	41.3
	Msc/M.Tech	44	24.6
	PhD	4	2.2
	<b>Total</b>	<b>179</b>	<b>100.0</b>

Professional Status	Probationer	49	27.4
	Graduate	43	24.0
	Associate	56	31.3
	Fellow	31	17.3
	<b>Total</b>	<b>179</b>	<b>100.0</b>
Years of experience	1-5	40	22.3
	6-10	38	21.2
	11-15	41	22.9
	16-20	29	16.2
	Above 20	31	17.3
	<b>Total</b>	<b>179</b>	<b>100.0</b>
Staff Strength	1-5	22	12.3
	6-10	24	13.4
	11-15	37	20.7
	16-20	67	37.4
	Above 20	29	16.2
	<b>Total</b>	<b>179</b>	<b>100.0</b>
Marital Status	Single	19	10.61
	Married	104	58.10
	Divorced	34	18.99
	Others	22	12.30
	<b>Total</b>	<b>179</b>	<b>100.00</b>
Number of Valuation	1-5	12	6.7
	6-10	41	22.9
	11-15	52	29.1
	16-20	49	27.4
	Above 20	25	14.0
	<b>Total</b>	<b>179</b>	<b>100.0</b>
Location of firm	Mainland	128	71.5
	Island	51	28.5
	<b>Total</b>	<b>179</b>	<b>100.0</b>

Source: Author's Fieldwork, 2025

The demographic and professional profile of respondents in Table 1 reveals critical insights into Lagos' real estate sector. Males dominate the profession (76%), highlighting ongoing gender imbalance, while females make up only 24%. Educationally, 41.3% hold Bachelor's degrees, 27.4% have PGDs, and 24.6% possess Master's degrees, with just 2.2% holding PhDs; indicating a growing trend toward postgraduate qualifications. Professionally, 31.3% are associates, 27.4% probationers, 24% graduates, and 17.3% fellows, suggesting active career progression. Experience levels are well distributed: 22.9% have 11–15 years of experience, 22.3% have 1–5 years, and others spread across higher ranges, supporting a mentoring culture and generational continuity. Most firms are mid-sized, 37.4% have 16–20 staff, and 20.7% have 11–15, underscoring the dominance of flexible, efficient operations. Married respondents make up 58.1%, suggesting a stable workforce. Regarding workload, 29.1% handle 11–15 valuation assignments and 27.4% handle 16–20, indicating strong professional engagement. Geographically, 71.5% of firms operate from the mainland and 28.5% from the island, likely due to cost and accessibility. Overall, the sector reflects a balanced, maturing, and professionally active workforce with strategic spatial distribution across Lagos.



**Table 2: Factors Influencing Quality of Valuation Being Produced By Estate Surveying and Valuation Firms**

<b>Factors</b>	<b>SA (5)</b>	<b>A (4)</b>	<b>SWA (3)</b>	<b>D (2)</b>	<b>SD (1)</b>	<b>Mean Score</b>	<b>Std. Deviation</b>	<b>Rank</b>
Ethical practice	73	78	11	14	3	4.2011	1.01328	1 <sup>st</sup>
Professional Competence of the Valuer	86	65	11	12	5	4.1397	.95843	2 <sup>nd</sup>
Objectivity and Independence	79	70	7	21	2	4.1341	1.01887	3 <sup>rd</sup>
Adherence to Professional Standards	79	71	5	22	2	4.1341	1.02437	4 <sup>th</sup>
Technological Adoption	74	70	13	20	2	4.0838	1.01600	5 <sup>th</sup>
Internal Quality Control Mechanisms	77	66	15	16	5	4.0838	1.05932	6 <sup>th</sup>
Peer Review and Industry Benchmarking	77	67	12	16	7	4.0670	1.09953	7 <sup>th</sup>
Level of Supervision for Junior Valuers	81	61	10	21	6	4.0615	1.13257	8 <sup>th</sup>
Consistency in Methodological Application	85	58	8	18	10	4.0615	1.19532	9 <sup>th</sup>
Understanding of Market Dynamics	87	51	14	19	8	4.0615	1.18113	10 <sup>th</sup>
Client Instructions and Scope of Work	75	65	14	21	4	4.0391	1.08288	11 <sup>th</sup>
Regulatory Environment	82	57	9	26	5	4.0335	1.16068	12 <sup>th</sup>
Accessibility to Property Market Information	72	72	6	25	4	4.0223	1.09624	13 <sup>th</sup>
Clarity and Transparency of Report Content	69	71	16	20	3	4.0223	1.03834	14 <sup>th</sup>
Time allocated for the valuation exercise	77	61	15	19	7	4.0168	1.13907	15 <sup>th</sup>
Appropriateness of Assumptions and Disclosures	82	53	12	29	3	4.0168	1.15377	16 <sup>th</sup>
Firm Size and Resources	81	56	8	29	5	4.0000	1.18511	17 <sup>th</sup>
Choice and Justification of Valuation Method	69	69	11	27	3	3.9721	1.09867	18 <sup>th</sup>
Timeliness of Valuation Reports	74	57	12	32	4	3.9218	1.18252	19 <sup>th</sup>
Market Data Availability and Reliability	69	62	15	26	7	3.8939	1.18270	20 <sup>th</sup>

Source: Author's Fieldwork, 2025

The analysis in Table 2 reveals that ethical practice is considered the most critical determinant, with a mean score of 4.2011, ranking 1st. This underscores the profession's recognition that integrity is foundational to credible and defensible valuations. Closely following are the professional competence of valuers (4.1397, 2nd), and their objectivity and independence (4.1341, 3rd), reflecting the importance of technical expertise and freedom from client bias in ensuring accurate reporting. Adherence to professional standards, such as the IVS and NVS, also scored 4.1341, ranking 4th, while technological adoption, which enhances efficiency and precision, came in 5th with a mean of 4.0838. Mid-ranking factors, including internal quality control mechanisms (4.0838, 6th) and peer review practices (4.0670, 7th), indicate a growing emphasis on institutional accountability and professional benchmarking within firms.

Supervision of junior valuers, consistency in methodological application, and understanding of market dynamics all share similar mean scores (4.0615) and occupy ranks 8th to 10th, highlighting the internal processes necessary for valuation accuracy. Other important considerations such as client instructions (4.0391, 11th), regulatory environment (4.0335, 12th), and accessibility to market data (4.0223, 13th) further shape report outcomes. Factors like time allocated for valuations and appropriateness of assumptions (both 4.0168, ranked 15th and 16th), firm size and resources (4.0000, 17th), and methodological justification (3.9721, 18th) reveal operational constraints affecting output quality. The lowest-ranked factors, timeliness of reports (3.9218, 19th) and market data reliability (3.8939, 20th), suggest that some structural limitations, such as delayed reporting and incomplete market information, may be so entrenched that practitioners have come to accept them as unavoidable realities.

Overall, the findings emphasize a profession increasingly focused on ethics, competence, and internal quality assurance, while also highlighting persistent challenges related to data quality, regulatory enforcement, and

operational efficiency. These insights are vital for informing policy, regulatory reforms, and capacity-building initiatives aimed at improving valuation practice in Nigeria.

**Table 3: KMO and Bartlett's Test on Factors Influencing Quality of Valuation Being Produced By Estate Surveying and Valuation Firms**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.656
Bartlett's Test of Sphericity	Approx. Chi-Square	453.793
	Df	190
	Sig.	.000

Source: Author's Fieldwork, 2025.

To assess the suitability of the dataset for factor analysis, the study employed the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity. The KMO value was 0.656, surpassing the minimum acceptable threshold of 0.6, indicating moderate sampling adequacy and justifying the use of factor analysis despite being categorized as "mediocre." Bartlett's Test of Sphericity was also highly significant ( $\chi^2 = 453.793$ ,  $df = 190$ ,  $p = 0.000$ ), confirming that the correlation matrix was not an identity matrix and that the variables were sufficiently interrelated. Together, these results validate the dataset's structure for exploratory factor analysis, confirming that the items are suitable for uncovering latent constructs. This methodological validation enhances the robustness and credibility of the study's findings regarding the determinants of valuation report quality in Lagos State.

**Table 4: Communalities on Factors Influencing Quality of Valuation Being Produced By Estate Surveying and Valuation Firms**

	<b>Initial</b>	<b>Extraction</b>
Professional Competence of the Valuer	1.000	.532
Adherence to Professional Standards	1.000	.536
Market Data Availability and Reliability	1.000	.480
Choice and Justification of Valuation Method	1.000	.673
Objectivity and Independence	1.000	.686
Time allocated for the valuation exercise	1.000	.585
Clarity and Transparency of Report Content	1.000	.730
Internal Quality Control Mechanisms	1.000	.479
Technological Adoption	1.000	.616
Ethical practice	1.000	.687
Client Instructions and Scope of Work	1.000	.590
Regulatory Environment	1.000	.587
Peer Review and Industry Benchmarking	1.000	.668
Firm Size and Resources	1.000	.638
Level of Supervision for Junior Valuers	1.000	.567
Understanding of Market Dynamics	1.000	.633
Consistency in Methodological Application	1.000	.561
Timeliness of Valuation Reports	1.000	.543
Accessibility to Property Market Information	1.000	.697
Appropriateness of Assumptions and Disclosures	1.000	.539

Source: Author's Fieldwork, 2025.

The communalities analysis from Table 4 reveals how much variance in each factor is explained by the underlying latent constructs identified through factor analysis. The factor with the highest extraction value is clarity and transparency of report content (0.730), underscoring its critical importance in producing understandable, defensible valuation outputs. Ethical practice (0.687) and objectivity and independence (0.686) also show strong communalities, highlighting their foundational roles in professional integrity and unbiased reporting. Accessibility to property market information (0.697) and choice and justification of valuation method (0.673) also rank highly, emphasizing the importance of reliable data and methodological rigour. Moderate extraction values were observed for factors like technological adoption (0.616), client instructions (0.590), regulatory environment (0.587), and time allocated for valuation (0.585), all indicating a noticeable but not dominant influence on valuation quality. Conversely, lower communalities were seen in market data availability (0.480), internal quality control mechanisms (0.479), and consistency in methodology (0.561), suggesting these factors, while still relevant, share less variance with the core latent dimensions of valuation quality. The analysis confirms that ethical standards, clarity, independence, and sound methodological justification are most strongly linked to high-quality valuation outputs, while operational constraints and institutional frameworks, though important, have a more moderate influence. These insights validate the robustness of the factor structure and guide efforts to enhance valuation reporting practices among Nigerian estate surveying and valuation firms.

Table 5: Total Variance Explained on Factors Influencing Quality of Valuation Being Produced By Estate Surveying and Valuation Firms

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.157	15.784	15.784	3.157	15.784	15.784	1.728	8.639	8.639
2	1.685	8.425	24.209	1.685	8.425	24.209	1.623	8.115	16.754
3	1.407	7.037	31.246	1.407	7.037	31.246	1.605	8.025	24.779
4	1.347	6.736	37.982	1.347	6.736	37.982	1.549	7.746	32.524
5	1.229	6.145	44.127	1.229	6.145	44.127	1.482	7.409	39.934
6	1.111	5.553	49.680	1.111	5.553	49.680	1.461	7.303	47.237
7	1.078	5.388	55.068	1.078	5.388	55.068	1.308	6.540	53.777
8	1.015	5.075	60.142	1.015	5.075	60.142	1.273	6.365	60.142
9	.926	4.632	64.774						
10	.893	4.464	69.238						
11	.840	4.202	73.440						
12	.814	4.070	77.510						
13	.744	3.721	81.231						
14	.697	3.487	84.718						
15	.667	3.337	88.055						
16	.583	2.917	90.972						
17	.499	2.495	93.466						
18	.474	2.368	95.835						
19	.459	2.294	98.129						
20	.374	1.871	100.000						

Source: Author's Fieldwork, 2025



The Total Variance Explained analysis in Table 5 confirms that the quality of valuation reports produced by estate surveying and valuation firms is influenced by multiple, interrelated factors. Using exploratory factor analysis (EFA), eight components with eigenvalues greater than 1.0 were retained based on Kaiser's criterion (Kaiser, 1974). These components collectively account for 60.142% of the total variance, which is considered statistically acceptable for social science research (Hair et al., 2014; Pallant, 2020; Tabachnick & Fidell, 2013). Component 1 alone explains 15.784% of the variance, followed by Component 2 (8.425%) and Component 3 (7.037%), with progressively smaller contributions down to Component 8 (5.075%). After varimax rotation, which enhances interpretability (Field, 2018), the explained variance becomes more evenly distributed, with Component 1 contributing 8.639% and others ranging from 6.365% to 8.115%. This factor structure confirms the multidimensional nature of valuation quality, likely encompassing professional ethics, methodological rigour, data access, and regulatory adherence (Baum & Crosby, 2008; Crosby et al., 2010; Amidu & Aluko, 2007; Ajibola et al., 2011). Components 9–20, each explaining less than 4.632%, were excluded due to low eigenvalues and minimal contribution, streamlining the model and enhancing focus. These results validate the latent structure underpinning valuation quality and support a comprehensive framework for improving professional standards in Lagos' real estate sector.

Table 6: Rotated Component Matrix on Factors Influencing Quality of Valuation Being Produced By Estate Surveying and Valuation Firms

Influencing Factors	Component							
	1	2	3	4	5	6	7	8
Professional Competence of the Valuer	.179	-.007	.277	.593	.118	-.192	-.104	.098
Adherence to Professional Standards	.699	.021	-.012	.164	.083	.099	-.037	.044
Market Data Availability and Reliability	.328	-.092	.460	.050	.266	.160	.172	.158
Choice and Justification of Valuation Method	.150	.109	.307	.101	.656	.060	-.274	-.162
Objectivity and Independence	.107	.202	.709	.039	.055	.058	-.136	-.323
Time allocated for the valuation exercise	.205	.244	.047	.438	.206	.466	-.150	.084
Clarity and Transparency of Report Content	.171	.792	.188	-.111	.063	-.090	.080	.082
Internal Quality Control Mechanisms	.007	.202	.586	.053	-.017	.068	-.125	.266
Technological Adoption	.677	.218	.079	.154	.065	-.063	.254	.087
Ethical practice	.065	.768	.070	.220	-.064	.033	-.183	.031
Client Instructions and Scope of Work	.069	.233	-.025	.082	.153	.058	-.154	.688
Regulatory Environment	.593	.151	.221	-.064	.018	.094	-.385	-.045
Peer Review and Industry Benchmarking	.077	.065	-.064	.794	-.062	.055	.105	-.069
Firm Size and Resources	.045	-.069	-.113	-.042	.058	.101	.735	-.251
Level of Supervision for Junior Valuers	-.373	.289	.126	.264	.188	.254	.293	.269
Understanding of Market Dynamics	.145	.045	-.456	-.090	.190	.420	-.406	-.129
Consistency in Methodological Application	-.003	-.094	.143	.103	-.135	.708	.006	-.020
Timeliness of Valuation Reports	.052	.006	-.041	-.369	.078	.607	.165	.027
Accessibility to Property Market Information	.045	-.058	-.070	-.034	.809	-.065	.161	.027
Appropriateness of Assumptions and Disclosures	-.045	.108	-.101	.094	.347	.070	.053	-.615

Source: Author's Fieldwork, 2025

The exploratory factor analysis (EFA) in this study, employing varimax rotation for clearer interpretation, identified eight distinct components that collectively define the quality of professional valuation practice. These components, derived from the Rotated Component Matrix, highlight how related factors cluster into latent dimensions that explain substantial variance in the dataset, affirming the complexity and multidimensionality of valuation quality (Field, 2018; Hair et al., 2014). The first component, Professional

Standards and Technology Orientation, had strong loadings on adherence to professional standards (0.699), technological adoption (0.677), and regulatory environment (0.593). This suggests that firms producing higher-quality valuations typically operate within structured regulatory frameworks, apply professional norms, and embrace technology, an insight aligned with Crosby et al. (2010).

The second component, Ethical Integrity and Report Clarity, was defined by high values for clarity and transparency of report content (0.792) and ethical practice (0.768), underscoring the importance of moral conduct and clear communication in building client trust, as emphasized by Obi et al. (2016). The third component, Independence and Quality Assurance, focused on objectivity and independence (0.709) and internal quality control mechanisms (0.586). These highlight the role of institutional safeguards in producing impartial, verifiable valuations; a concern noted by Amidu and Aluko (2007). Peer Review and Supervision formed the fourth component, with a significant loading from peer review and industry benchmarking (0.794), and a minor contribution from supervision of junior valuers (0.264). This reflects the role of mentorship and external accountability in maintaining valuation standards (French & Gabrielli, 2004).

Component five, Data and Methodological Justification, included high loadings for accessibility to market data (0.809) and the justification of valuation methods (0.656), reinforcing Ajibola et al.'s (2011) view that access to reliable data is vital, particularly in data-poor markets like Nigeria. The sixth component, Methodological Consistency and Timeliness, was influenced by consistent application of methodology (0.708) and timely report delivery (0.607), which Baum and Crosby (2008) identify as essential for credibility in volatile market conditions. Firm Resources and Structure, the seventh component, was mainly defined by firm size and resources (0.735), with minor input from junior valuer supervision (0.293), suggesting that organizational capacity supports quality, but effective resource management is also critical (Amidu & Aluko, 2007).

Lastly, the eighth component, Client Scope Definition and Disclosure Management, was shaped by client instructions and scope of work (0.688), and a negative loading on appropriateness of assumptions and disclosures (-0.615). This points to the potential for compromised reporting when client briefs are unclear, reinforcing the need for clear early-stage communication (Levy & Schuck, 2005). Overall, the analysis confirms that valuation quality is not determined by any single factor but by the interplay of professional standards, ethical values, methodological discipline, institutional systems, and contextual responsiveness (Crosby et al., 2010; Baum & Crosby, 2008).

## Discussion of Findings

The findings from the study provide a comprehensive view of the professional and operational dynamics influencing valuation quality in Lagos' real estate sector. The demographic analysis reveals a profession still largely male-dominated, though progressively becoming more academically advanced, with a substantial proportion of respondents holding postgraduate qualifications. This trend suggests a sector committed to ongoing professional development. Career progression appears active, with respondents spread across various professional grades, indicating a structured pathway from entry-level to senior positions. The spread of experience levels and the predominance of mid-sized firms point to a sector that balances institutional maturity with operational flexibility, supported by a relatively stable workforce, as indicated by marital status distribution. The volume of valuation assignments handled by respondents further reflects a high level of professional engagement, while the spatial concentration of firms on the mainland likely reflects practical cost and accessibility considerations.

The assessment of factors influencing the quality of valuation reports produced by estate surveying and valuation firms in Lagos Metropolis reveals a multifaceted interplay of professional, institutional, and operational dynamics. At the forefront of these influences is the ethical orientation of practitioners, which emerged as the most significant determinant of valuation quality. This underscores the centrality of integrity and professional conduct in ensuring objectivity, transparency, and public trust in valuation outcomes. The valuation profession in Nigeria, like elsewhere, hinges on the perception of impartiality and ethical rigour,

especially in contexts where client pressure can compromise professional judgment (Obi et al., 2016; Amidu & Aluko, 2007).

Closely tied to this is the professional competence of valuers; reflected in their education, experience, and continued professional development, which plays a critical role in shaping the quality of valuation reports. Competent valuers are more adept at navigating methodological complexities, understanding dynamic market conditions, and aligning their practices with established standards such as the IVS and the Nigerian Valuation Standards (Levy & Schuck, 2005; Ogunba & Ajayi, 1998). The recognition of adherence to professional standards and objectivity as top-ranking factors further highlights the industry's awareness of the importance of standardized practices and the independence of professional opinions.

The study highlights a growing shift towards digitization in valuation processes, with technological adoption seen as a means to improve report accuracy, streamline workflows, and manage large datasets efficiently, crucial in data-driven markets like Lagos (Ajayi, 2003). Internal quality control and peer review mechanisms are also gaining traction, signaling an emerging culture of accountability and benchmarking in Nigeria (French & Gabrielli, 2004). The structural capacity of firms, including supervision and consistent methodologies, significantly influences valuation uniformity. While understanding market dynamics remains essential, persistent data limitations and informal transactions present challenges (Ajibola et al., 2011).

Interestingly, factors like market data reliability, report timeliness, and methodological justification—often emphasized globally; ranked lower, suggesting a localized adaptation to weak data infrastructure and lax enforcement (Egbenta, 2011). The study underscores the need for institutional reform alongside individual competence, advocating for ethical standards, professional development, and quality control. Communality analysis revealed that clarity, ethics, and objectivity are central to valuation quality. Overall, factor analysis confirms valuation quality as multidimensional, influenced by ethics, regulation, data access, and internal systems, supporting literature that links credible valuations to both technical and institutional factors.

## CONCLUSION AND RECOMMENDATION

The study concludes that valuation report quality in Lagos is driven by a complex interplay of ethical integrity, professional competence, institutional standards, and operational capacity. Ethical integrity emerged as the most critical factor, supported by valuers' qualifications, experience, and adherence to standards like the NVS and IVS. While institutional mechanisms such as peer review and regulatory oversight are gaining traction, their impact is limited by enforcement challenges. Operational elements; like firm size, supervision, and technology use, also influence report quality. Notably, global benchmarks such as data reliability and timeliness ranked lower, reflecting local constraints like poor data access and weak regulation. To improve valuation quality, the study recommends strengthening ethics through targeted training and stricter regulatory oversight, enhancing competence via mandatory CPD and mentoring, enforcing standard adherence through audits, and investing in firm-level quality assurance and digital tools. A centralized property data system, driven by collaboration among stakeholders, is also advocated. Overall, a combined focus on ethics, professionalism, and institutional reform is key to aligning valuation practice in Lagos with international standards.

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