



An examination of client influence on residential property valuation in Benin metropolis, Nigeria

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Abstract

The study examined client influence on residential property valuation in Benin metropolis, Edo State, Nigeria. The study adopted the use of self-administered questionnaires to obtain relevant data. Fifty-nine (59) successfully completed questionnaires were retrieved from practitioners under Estate Surveying and Valuation firms in Benin metropolis. The data collected were duly presented in frequency and percent tables and analyzed using the Chi-square test method to validate the hypotheses. The study revealed that although there are instances of clients' attempt to influence valuation opinions in Benin, they are insignificant as valuers do not allow such clients' influence impose effect on their value opinions. However, valuers are enjoined to continue to resist clients' influence to avoid effects such as; over valuation, short or under valuation, professional malpractice as well as legal/litigation cases on valuation opinions, thereby creating value opinions that stand as good market evidence for further reference.

Keywords: valuation opinion, valuation, client influence and pressure, residential properties

Introduction

Valuation of real property is one of the core functions of the Valuer worldwide. It is usually required for sale and purchase for the purpose of using real property as security for facility from financial institutions amongst others. In Nigeria, valuation of real property is a professional service rendered by an Estate Surveyor and Valuer.

Generally, the development of property valuation practice in Nigeria is traced to the practice in the United Kingdom. This may be attributed to two major reasons. First, Nigeria is a former British colony. Second, Real Estate Education and training in Nigeria is based on the United Kingdom Real Estate Education Model in which the education of the Valuer is focused on five main subject areas, namely: Valuation, Law, Economics, Building construction and Planning. The essence of this model is to achieve a deeper understanding of the role of the Chartered Surveyor in relation to the Architect, Builder, Quantity Surveyor, Engineer and the Town planner. Thus, before the formation of the Nigerian Institution of Estate Surveyors and Valuers (NIESV) in 1969, qualification as a Property Valuer in Nigeria was through the Royal Institution of Chartered Surveyors (RICS) in the United Kingdom. Presently, a good number of Estate Surveyors and Valuers still maintain dual membership of RICS and NIESV. However, for a person to be qualified as an estate surveyor and valuer in Nigeria, such person must be Registered by the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON), an agency of the Federal Government of Nigeria and issued a stamp and seal in accordance with the provisions of Act No. 24 of 1975, now CAP E13 of the Laws of the Federal Republic of Nigeria, 2007.

Valuation of real property is a professional activity which involves the estimation of the market value of such property. Market Value, according to ^[19] can be defined as the money

obtainable from a person or persons willing and able to purchase the property when it is offered for sale by a willing seller. This estimation is usually the core responsibility of an Estate Surveyor and Valuer ^[15]. Found that valuation for rent reviews, purchase/sale and mortgage purposes were more vulnerable to client influence. The benchmark for accuracy is the achieved sale price in the market and evidences to date suggest that valuations are generally not accurate estimates of market values ^[9, 12, 18]. The possible explanation for this apparent inaccuracy and variation between valuation and lagging effect, serial correlation and estimation error ^[8, 25]. There is also a wealth of evidence of valuers' susceptibility to behavioural influences from clients which may have significant impact on the outcome of valuations by valuers.

In the Residential Property Market in Benin City, most property Valuers appear under pressure from Clients (property owners) to assign to their properties, subjective values determined by them notwithstanding the Valuer's opinion of value of such properties. As per current research on Client influence in residential property Valuation in Nigeria, several papers exist which prove the phenomenon of Client influence in Valuation, affecting the independent valuation process of the professionals in the industry. In ^[2], Estate Surveying and Valuation firms in Nigeria where surveyed, nearly 80% of the respondents asserted the fact that clients seek to influence Valuation opinion and 60% have known Valuers who comply with the Clients. It is on the strength of this that this study examines the effect of this influence on the Market valuation of residential properties in the City.

Statement of the Problem

Valuation is generally considered as a black box process where Valuers combine previous estimates and prior transaction data to determine the value of a property. The

variables used by the Valuer in the process are used for filtration and interpretation of information regarding the property. Property valuation is expected to be performed as an independent process to Clients, property owners and prospective buyers or lenders; Valuers ideally would not show bias to any of the above parties as most valuation are done to obtain independent opinions or value of a property but either of the parties may provide additional information during the process of valuation.

However, many Valuers now end up adjusting their estimation of value of a property as a result of undue influence from clients, for client's convenience. Most Nigeria property owners equate their financial problem with their asset values. They would want to realize not less than the equivalent of their financial needs with the realizable from their property, ignoring the inter-play of the forces of Demand and Supply and hence, Valuer's opinion.

The negative effects of over-valuation and under-valuation cannot be overemphasized in any economy. Valuation opinions are very crucial and business dealings of everyday life and decisions making. Client's pressure often leads to wrong opinion of value which can collapse an entire economy. Thus, the need to examine the effects of clients' influence on valuation opinion of Residential properties in Benin City and profer effective solutions.

Aim and Objectives of the Study

This project is aimed at examining client influence on residential property valuation in Benin Metropolis. Its objectives include:

1. To find out if there is influence from clients on valuers in their valuation opinions of residential property valuation;
2. To examine the types of influence from clients;
3. To examine the effects of the influence on valuation opinion

Research Questions

The following research questions were raised in order to facilitate adequate investigation into the study:

1. Is there influence from Clients on the Valuer in the determination of Residential property values in Benin City?
2. What are the types of influence from Clients?
3. What are the effects of such influence on Real Estate Valuation opinions and practice?

Research Hypotheses

H₀₁: Clients do not influence valuers' opinion

H₀₂: Client influence does not have significant effect on valuers' opinion

Study Area

The study area, Benin lies about latitude 60° 20¹ North of the equator and longitude 5° 17¹ East of the Greenwich meridian, and is less than 140m above the sea-level covering 112.5m². Before the advent of the white men, Benin had already gained its status as the capital city of the then Benin Empire, then the entire length and breadth of the town now known as Ring road around the Oba's palace. The city was then demarcated clearly by the surrounding moat. Even after the fall of the Benin

Empire in 1987, Benin still retained its administrative function, and this attracted people from various areas, thus increasing its population which resulted in pressure on the land forcing inhabitants to move further from the city centre {Ring road} towards Uselu in the west, Ikpoba hill in the East, and Ogba and Ekenwan to the south.

The city has metamorphosed with tremendous developments from the time of its being made the headquarters of the then mid-western states, later Bendel state to the present Edo State, with a lot of growth in property investments of different types in the various areas of the city, especially for the purpose of accommodation for the ever-growing population, which has led to an increasingly competitive level of market transactions being carried out on residential properties in the city.

However, clients who carry out such transactions approach valuers to determine the value opinion on transaction features, such as; rental value, sale value, mortgage value, etc. And it has been observed that they attempt to influence such values assessed by the valuers based on their subjective judgement of the required value opinion.

Literature Review

Concept of Valuation Clients and Influences Related to Client Characteristics

Valuations are usually carried out by valuers who are employed by real estate consultancy firms, which generally provide the entire range of real estate services; including, valuation, property management, agency and marketing, and investment counseling.

A valuation is not a fact, it is an estimate of the most probable of a range of possible outcomes based on the assumptions made in the valuation process. Market valuations are estimates of the most probable price that would be paid in a transaction on the valuation date. However in most markets, actual prices are subject to fluctuation caused by market imperfections, difference in the characteristics of the asset or difference in the objectives, knowledge or motivation of the parties ^[14]. The subjectivity and discrepancy in valuation consequently creates opportunities for negotiations between valuers and clients, which in turn would influence the final reported value ^[20]. Furthermore, issues of objectivity and fairness arise because valuation is not an exact science but also an art and this could allow valuers the opportunity to be influenced by clients from opinion shopping to permitting clients to review draft report prior to formalization ^[6, 20, 22]. Possibilities abound of clients capability to influence valuation through a process of discussion and possible moderation before the formal submission of the report ^[4, 7]. This process usually involves a meeting at which draft valuation would be submitted and discussed and at which valuers would be subjected to pressure from clients to change those valuations. Similarly in Nigeria, Estate Surveyors and Valuers claimed knowledge of influence, mostly from a private individual ^[3]. However, another form of influence can come from the manner of payment of professional fees and the amount of fees actually paid. Variation is likely to occur where the fees is reduced to such extent that there is insufficient margin for the valuer to devote adequate time to research the market. Furthermore, inappropriate instructions from the client may be deliberate to influence the valuer's opinion and were likely to cause

variation ^[10]. However, ^[3] established that client influence exists in the Nigerian valuation industry and is rapidly eroding Estate Surveyors' and Valuers' objectivity in property valuation in the country. The implication of this is consequential on the professional credibility and reputation of Estate Surveyors and Valuers. However, further study is required to examine the effect of these implications poised by client pressure prior to influence on valuers when estimating valuation opinions of their property.

Evidence of Client Pressure and Influence on Valuers

^[5] Used the Lens Model of Perpetual Theory to show that people do not pose the direct information required to perceive objects in the environment. Using the model to a market approach, ^[23] showed that using transaction prices to estimate market value will lead to bias. The potential for client-related bias is widely recognized and informed the inclusion of necessary mitigating provisions in the codes of most valuation professional bodies. ^[16] Show that when additional information is used, in addition to the property-specific information and property market information, it will cause bias from the market value. This additional information includes the effect of prior valuations in familiar and unfamiliar location, valuers' use of heuristics, prior knowledge and experience, and the selection of comparables. ^[16] Also observed that although the valuers have an obligation to provide independent and informed opinion of value, they are often compelled by economic incentives to act contrary to professional ethics to satisfy their client in order to avoid conflict over fees and precipitate repeat business. This may be done intentionally or unintentionally ^[16]. Found out that the use of "opinion shopping" was prevalent in the valuation industry, with some valuers being coerced by clients threatening to employ other valuers who were prepared to provide the value required. This showed that client influence exist in mortgage valuation, borrowers have motivation to maximize loan to value ratio and lenders threaten valuers by losing business or revaluation. ^[22] Indicated that 98% of American valuers have the experience to provide higher valuation according to lender's requirement, especially in the boom market. The lender can control valuers by opinion shopping to find a valuer willing to provide the desired value or threaten to withhold payment for a low valuation.

This has led to clients undercutting fees in order to compete for valuation jobs. Rumours of valuation firms allowing their clients especially those who provide them with a substantial number of assignments annually, to state their own values abound on the grapevine. Such allegations of undercutting of fees and value "fixing" have undermined the professional reputation of valuers. While there is little concrete evidence of these complaints, a series of letters have been published in newspapers of some foreign countries alleging valuers were being controlled by developers in the valuation of residential properties for sale ^[2]. More recently, in November (2001), a letter to the Business Times was headlined "Scrap valuation of real estate". In the above cases, a member of the public was aggrieved with what he or she felt was the way valuers "push up" prices to satisfy their clients. These instances succeeded in reinforcing the notion that valuers are really not independent

and that they would succumb to some form of client pressure.

^[21] Examines the ethical issues involved with performing valuation services for hotels and points out that some lenders are more interested in inflated values rather than those that are based on an unbiased, objective study. The pressure, exerted by the clients, can sometimes be subtle and indirect while occasionally they can be obvious and abusive. ^[17] Reports that the first situation which comes to mind for most valuers, when they speak of ethics and ethical conduct in the property valuation profession is rendering a value estimate that accommodates the desires of a specific individual instead of one that is impartial, objective and independent.

^[15, 16] found out in a study that the factors affecting the degree to which clients influence valuations are; the type of client, the characteristics of valuers and valuation firms, the purpose of a valuation, the information endowments of clients and valuers, one important issue highlighted in the ethical dilemma faced by valuers as a result of client-supplied information, which could be biased through omission, intentionally or otherwise.

According to ^[24] the valuer-client conflict arises when the valuer arrived at a value lower than what the client wants. Just before the deadline for the submission of the valuation, the client provides the valuer with new, additional market data from a competing valuation firm. Incorporation of the unverified data would increase the value of the subject property. The valuer has tried but cannot verify the new information in the time remaining for the mandated delivery of the valuation report. The delivery deadline is firm and the valuer cannot delay in order to complete the verification of the new data ^[24] in his study concluded that while valuers may not modify their valuation on account of the size of the client or the amount of adjustment requested, on the whole, he produced empirical evidence that suggests the existence of clients pressure in the valuation of residential properties for mortgage loan purposes. The following comments by one of him aptly sums up the situation, "it is something that is very much part of the job". Competition is such that nowadays banks will simply tell valuers that if they do not support their values, another firm will. Being very rigid and inflexible will only cause valuers to lose businesses. It is therefore a balance between keeping your clients and maintaining your professionalism.

Sources of Clients Pressure and Influence

There are various sources of pressure and influence that can emanate from clients which can broadly be grouped into individual and corporate sources or private and public sector sources. However, ^[24] in his paper titled, "Client Pressure in Residential Valuation" enumerated the following sources of client pressure and influence according to different class groups:

a) Private Individuals

These could be persons or families who own (hold) various interests in land and landed properties and may require valuation opinions of their properties at different occasions for various purposes. They are mostly owners of residential properties and may require valuation opinions for sale, mortgage, insurance, etc.

b) Banks

These are formal financial institutions established for the provision of savings and deposits accounts, mortgage for borrowers who require bespoke products and loans to finance their investments. Banks as clients of valuers for valuation opinions are basically interested in influencing such valuers to producing a reduced value opinion of collateral properties in order to be secured in the loan repayment ability by the borrower (mortgagor). However, Banks may also attempt to attract borrowers to acquire loan from them by pressuring the valuer to influence the valuation opinion to a desired higher amount to favour the borrower's financial facility need especially where they are dealing with a big client.

c) Investment Companies

These could be set up specifically to service a particular area of the economy, in this case, property investment. They provide loans and financial aids to property investors and as such would also require valuation opinions of properties referred or an appraisal of a proposed property development or acquisition, by their customers, and can influence valuers as such.

d) Insurance Companies

These are financial institutions basically set up to provide insurance cover to properties of individuals and private bodies. They require valuation opinions to be determined by valuers for the properties they are to cover against any unforeseen natural or artificial peril. This is required to determine the insurance value (either on indemnity or reinstatement basis) of the property and as such the premium payable by the insured. This makes them one of the client groups that can influence valuers in their valuation opinion determination in their favour.

e) Developers

These could be individuals or a corporate bodies interested in carrying out the construction of a property. They usually require the cost value opinion of such endeavour and exert pressure and influence on the valuer during the procedure of determining the valuation opinion needed.

f) Housing and Development Board HDB

These are public sector bodies/agencies/parastatals set up to develop and manage public (government owned) properties and as such require the valuation of such properties from time to time for different purposes. Pressure and influence experienced from such sources are either politically inclined or tuned towards personal gains of some of the public officers or staff, usually requiring review of valuation opinions by valuers.

Generally valuation opinions of properties are usually tuned to the direction of the interest of the client who requires them.

Types of Client Influence as Experienced by Valuers

There are various types of influences exerted by clients on valuers during their estimation of property values. ^[1] enumerated some of these influences as follows:

a) Reward/Coercive Power: This he also termed badgering,

and involves the client promising a raise in the fee, some form of benefit, or presenting some amount of money to the valuer during the process of value determination in order for him to succumb to the value range he requires. It could be direct or indirect.

b) Expertise/ Expert Power: Clients sometimes claim expertise in the valuation process and property market based on the fact that they feel experienced in the trend of property investment they are involved and as such tend to assert pressure to influence the valuation opinion of the valuer providing valuation services to them.

c) Information Power: This is a very prevalent type of influence used by clients on valuers during valuation opinion determination. It involves the clients supplying additional information or withholding some vital information such as an encumbrance or lien on the interest in the property, or even supplying misinformation to valuers with the intention of distorting the valuers valuation opinion in their favour.

d) Procedural Power: This involves the client influencing the valuation procedure by his instructions, choice of valuer, length of contract, amount of fee, regularity of valuations, timing of valuations, method of valuation, etc.

Effects of Client Influence on Valuers

Every profession is guided by a code of professional ethics which stipulates the way and manner its members should comport themselves. The Estate Surveying and Valuation professional ethics demand that members should at all times maintain a high standard of honesty and integrity and conduct their activities in a manner not detrimental to their clients, the public and their profession ^[13].

However, clients have been known to distort the ability of Estate Surveyors and Valuers in different areas and at different levels to follow and as such adhere to the code of professional ethics guiding the determination of valuation opinions of properties for various purposes ^[1, 20].

The foregoing has led to several effects on the procedures of valuers as well as the value opinions determined by them. These effects according to ^[11, 13], could result in the following:

1) Over Valuation

The attitude of a client towards a valuation exercise may lead to over valuation which implies that too high a value or price is being assigned to the subject property. Clients may tend to influence the increment of the value from a valuation exercise. For instance, in the event of carrying out sales valuation, the client may influence the decision of the valuer and may decide to inflate the value of the subject property and by so doing the purchaser would pay in monetary terms for the value of the property and also unknowingly pay an additional sum which is not supposed to be. That additional sum included to the said value of the property is as a result of greed on the part of the client and professional incompetence on the part of the valuer. Excess demand over supply is the major cause of over valuation, since many customers are willing to pay for the value of such property, thus inflating the true value becomes an easy means of making extra financial gains or profit as the case may be.

2) Short or Under Valuation of Properties

This can be described as a decrease in the value obtained from the valuation exercise such that the value is presumed to be below the true or intrinsic value. The effects of under valuation in Real Estate is that it subjects such property to being less valuable or less important than it really is.

Competition is one of the main causes of short or under valuation. When people tend to strive to gain or win by defeating or establishing superiority over others, they tend to drastically reduce the true value in order to attract more clients and dispose off their commodities, thus leading to ascribing less value and an increased demand by consumers especially those who enjoy consumption of Giffen or inferior goods. This is achieved by fixing a lesser value than that obtained from the value of comparables so as to attract prospective buyers and investors, thereby creating a buyer's market situation (Gazundering).

3) Professional Malpractice

Professional practice constitutes the improper, neglectful functions of a profession. Any action taken in the course of practicing a profession which goes contrary to its standard and ethics of practice is professional malpractice. In Real estate practice, professional malpractice has become the bane of the profession as many surveyors in an attempt to get rich quick employ all sort of systems and gimmicks to cut corners to cheat, deceive and defraud innocent clients to make money. However, professionals are most times pushed to do this from the influence of other clients who promise them one form of benefit or the other, and this occurs in every area of the practice including the determination of valuation opinions of properties.

4) Legal/Litigation Cases

In the course of engaging in the desires of a client, there may arise certain cases of legal issues which may lead to litigation cases. Legal cases which are disputes between opposing parties can be resolved by the court or some equivalent legal process. In each legal case there is an accused and one or more defendants. Litigation on the other hand describes the proceedings initiated between two opposing parties to enforce or defend a legal right. Litigation is typically settled by agreement between the parties, but may also be heard and decided by a jury or judge in court. As such, legal/litigation cases may arise from challenges on the valuation opinion determined a valuer as a result of doubts especially where the value seems unrealistic and possibly influenced. For instance in a mortgage scenario if the mortgagor (lender) decides to inflate the value of the subject property to be used for mortgage purposes, through the services of a valuer. If the mortgagee decides to find out the authenticity of such valuation claims on the overvalued property, there might be a need for him to be heard in court. The judge may order for a retrospective valuation.

5) Effects on Market Evidence

Due to the fact that value becomes inconsistent (overvalued and undervalued) as a result of the clients' behaviour in influencing valuation opinions, market evidence becomes unreliable. The value of comparable properties can no longer

be held true for obtaining the value base for other properties. Vendors tend to ascribe value to properties not based on what it should be but based on negligence and professional misconducts, thereby influencing the investment motives of willing investors, since market evidence is just but a mere figure that cannot be solely relied on but easily overlooked thus giving a shaky stand to Real estate investment in the country. To correct this effect, the onus lies on estate practitioners not to deviate from the basis and purpose of the practice. Everything should be done the right way. Valuation opinions should not be compromised for whatever reason. This gives a strong base of value comparable properties and can be used readily to estimate the value of properties having similar features thus making market evidence not only reliable but also uncompromising.

Research Methodology

Survey research design was adopted so as to retrieve relevant information from Estate Surveying and Valuation firms in Benin Metropolis, the Edo State capital with regards to their perception of the types of influence experienced from clients, and the effects of the influence on valuation opinions of residential property valuation.

Population Size

The study area spans the capital city of Benin, Edo State, Nigeria. The target population of the study comprises of the Fellow, Associate and Probationer/Graduate Members of the Nigerian Institution of Estate Surveyors and Valuers (NIESV) practicing under registered firms of Estate Surveyors and Valuers within the Benin metropolis. Firms registered with the Corporate Affairs Commission (CAC) and the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) are primarily responsible for property valuation in Nigeria and this formed the basis of the demography. As such, the list of the Fifty-Five (55) registered firms as well as the respective numbers of registered persons in each membership category which include Twenty-One (21) Fellows, Sixty-Seven (67) Associates and One Hundred and Seven (107) Probationers/Graduates were retrieved from the Edo State Branch of Office of the Nigerian Institution of Estate Surveyors and Valuers (NIESV) therefore having a population size of One Hundred and Ninety-Five (195).

Sample Size

It was discovered that only a fraction of the entire population practice under registered Estate Surveying and Valuation firms which were numbered to be seventy-one and this constitutes the sample size. A total of Seventy-One (71) Research questionnaires were distributed to all accessible sample members with Fifty-Nine (59) completed questionnaires successfully retrieved from the respondents. This represents 83% of the target population and is considered a good representation. The entire population was studied because it is manageable.

Method of Data Analysis

The research design adopted for the study involves the application of both descriptive and inferential statistical methods for the analysis of data retrieved through the

instrument employed for data collection. The descriptive statistics is to be used majorly for the description of population characteristics and the analysis of the Likert form responses through the use of frequencies, mean and weighted mean with the data presented in tabular form. On the other hand, the inferential statistics is adopted to provide basis for identifying the types of influence experienced from clients and the consequential effect on residential property valuation opinions, thus validating the stated hypotheses, through the use of the Chi-square method of analysis with the Application software; Statistical Package for the Social Sciences (SPSS

V22.0, 2016).

Data Presentation, Discussion and Analysis

The data collected from distributed and retrieved questionnaires are presented, discussed and analysed as follows:

Test of Hypotheses, Discussion and Analysis

The Research Hypotheses are tested using the Chi-square method of data analysis with a significance level (p) of 0.05, as follows:

Table 1: Testing Client Influence on Various Value Opinions

Private individuals * Purchase and sale

Crosstab		Purchase and sale				Total	
		Strongly agree	Agree	Disagree	Strongly disagree		
Private individuals	Strongly influence	Count	26	10	5	1	42
		Expected Count	22.1	14.2	5.0	.7	42.0
	Moderately influence	Count	5	8	1	0	14
		Expected Count	7.4	4.7	1.7	.2	14.0
	Mildly influence	Count	0	1	1	0	2
		Expected Count	1.1	.7	.2	.0	2.0
	No influence	Count	0	1	0	0	1
		Expected Count	.5	.3	.1	.0	1.0
Total		Count	31	20	7	1	59
		Expected Count	31.0	20.0	7.0	1.0	59.0

Source: Researcher’s Field survey, 2017.

Chi-Square Tests for Table 1:

	Value	df	Asymp. Sig. (2-sided) (p)
Pearson Chi-Square	11.204 ^a	9	.262
Likelihood Ratio	11.472	9	.245
Linear-by-Linear Association	2.480	1	.115
No. of Valid Cases	59		

a. 13 cells (81.3%) have expected count less than 5. The minimum expected count is .02.

From table 1, a good number of respondents precisely 26 out of the total of 59 correlate a strong agreement that private individuals strongly influence valuation opinions for the

purpose of purchase and sale. However, the Pearson Chi-square test indicates a result of $(\chi^2) = 11.204$ ($p = 0.262 > 0.05$), as such insignificant.

Table 2: Private individuals * Letting

Crosstab		Letting				Total	
		Strongly agree	Agree	Disagree	Strongly disagree		
Private individuals	Strongly influence	Count	19	17	5	1	42
		Expected Count	17.1	18.5	5.0	1.4	42.0
	Moderately influence	Count	4	7	2	1	14
		Expected Count	5.7	6.2	1.7	.5	14.0
	Mildly influence	Count	1	1	0	0	2
		Expected Count	.8	.9	.2	.1	2.0
	No influence	Count	0	1	0	0	1
		Expected Count	.4	.4	.1	.0	1.0
Total		Count	24	26	7	2	59
		Expected Count	24.0	26.0	7.0	2.0	59.0

Source: Researcher’s Field survey, 2017.

Chi-Square Tests for Table 2

	Value	df	Asymp. Sig. (2-sided) (p)
Pearson Chi-Square	3.364 ^a	9	.948
Likelihood Ratio	3.954	9	.914
Linear-by-Linear Association	.471	1	.493
No. of Valid Cases	59		

a. 12 cells (75.0%) have expected count less than 5. The minimum expected count is .03.

From table 2, a good number of respondents precisely 19 out of the total of 59 correlate a strong agreement that private individuals strongly influence valuation opinions for letting

purpose. However, the Pearson Chi-square test indicates a result of $(\chi^2) = 3.364$ ($p = 0.948 > 0.05$), as such highly insignificant.

Table 3: Private individuals * Granting of loans

Crosstab		Granting of loans				Total
		Strongly agree	Agree	Disagree		
Private individuals	Strongly influence	Count	22	15	5	42
		Expected Count	20.6	14.9	6.4	42.0
	Moderately influence	Count	7	6	1	14
		Expected Count	6.9	5.0	2.1	14.0
	Mildly influence	Count	0	0	2	2
		Expected Count	1.0	.7	.3	2.0
	No influence	Count	0	0	1	1
		Expected Count	.5	.4	.2	1.0
Total		Count	29	21	9	59
		Expected Count	29.0	21.0	9.0	59.0

Source: Researcher’s Field survey, 2017.

Chi-Square Tests for Table 3

	Value	df	Asymp. Sig. (2-sided) (p)
Pearson Chi-Square	17.878 ^a	6	.007
Likelihood Ratio	12.654	6	.049
Linear-by-Linear Association	5.205	1	.023
No. of Valid Cases	59		

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .15.

From table 3, a good number of respondents precisely 23 out of the total of 59 correlate a strong agreement that private individuals strongly influence valuation opinions for the

purpose of granting of loans. The Pearson Chi-square test indicates a result of $(\chi^2) = 17.878$ ($p = 0.007 < 0.05$), as such highly significant.

Table 4: Banks * Purchase and sale

Crosstab		Purchase and sale				Total	
		Strongly agree	Agree	Disagree	Strongly disagree		
Banks	Strongly influence	Count	4	3	0	7	
		Expected Count	3.7	2.4	.8	.1	7.0
	Moderately influence	Count	5	13	2	0	20
		Expected Count	10.5	6.8	2.4	.3	20.0
	Mildly influence	Count	14	3	1	0	18
		Expected Count	9.5	6.1	2.1	.3	18.0
	No influence	Count	8	1	4	1	14
		Expected Count	7.4	4.7	1.7	.2	14.0
Total		Count	31	20	7	1	59
		Expected Count	31.0	20.0	7.0	1.0	59.0

Source: Researcher’s Field survey, 2017

Chi-Square Tests for Table 4

	Value	df	Asymp. Sig. (2-sided) (p)
Pearson Chi-Square	23.561 ^a	9	.005
Likelihood Ratio	24.236	9	.004
Linear-by-Linear Association	.074	1	.786
No. of Valid Cases	59		

a. 11 cells (68.8%) have expected count less than 5. The minimum expected count is .12.

From table 4, more respondents agree that Banks relatively influence valuation opinions for the purpose of purchase and

sale. The Pearson Chi-square test indicates a result of $(\chi^2) = 23.561$ ($p = 0.005 < 0.05$), as such highly significant.

Table 5: Banks * Letting

Crosstab			Letting				Total
			Strongly agree	Agree	Disagree	Strongly disagree	
Banks	Strongly influence	Count	4	3	0	0	7
		Expected Count	2.8	3.1	.8	.2	7.0
	Moderately influence	Count	6	13	0	1	20
		Expected Count	8.1	8.8	2.4	.7	20.0
	Mildly influence	Count	8	7	3	0	18
		Expected Count	7.3	7.9	2.1	.6	18.0
	No influence	Count	6	3	4	1	14
		Expected Count	5.7	6.2	1.7	.5	14.0
Total		Count	24	26	7	2	59
		Expected Count	24.0	26.0	7.0	2.0	59.0

Source: Researcher’s Field survey, 2017.

Chi-Square Tests for Table 5

	Value	df	Asymp. Sig. (2-sided) (p)
Pearson Chi-Square	13.264 ^a	9	.151
Likelihood Ratio	16.308	9	.061
Linear-by-Linear Association	1.676	1	.195
No. of Valid Cases	59		

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .24.

From table 5, more respondents agree that Banks relatively influence valuation opinions for letting purpose. However, the

Pearson Chi-square test indicates a result of $(\chi^2) = 13.264$ ($p = 0.151 > 0.05$), as such insignificant.

Table 6: Banks * Granting of loans

Crosstab			Granting of loans			Total
			Strongly agree	Agree	Disagree	
Banks	Strongly influence	Count	4	2	1	7
		Expected Count	3.4	2.5	1.1	7.0
	Moderately influence	Count	4	11	5	20
		Expected Count	9.8	7.1	3.1	20.0
	Mildly influence	Count	12	3	3	18
		Expected Count	8.8	6.4	2.7	18.0
	No influence	Count	9	5	0	14
		Expected Count	6.9	5.0	2.1	14.0
Total		Count	29	21	9	59
		Expected Count	29.0	21.0	9.0	59.0

Source: Researcher’s Field survey, 2017.

Chi-Square Tests for Table 6:

	Value	df	Asymp. Sig. (2-sided) (p)
Pearson Chi-Square	12.758 ^a	6	.047
Likelihood Ratio	15.674	6	.016
Linear-by-Linear Association	3.909	1	.048
No. of Valid Cases	59		

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is 1.07.

From table 6, more respondents agree that Banks relatively influence valuation opinions for the purpose of granting loans. The Pearson Chi-square test indicates a result of $(\chi^2) = 12.758$ ($p = 0.047 < 0.05$), as such relatively significant.

Summary of Findings and Conclusion

Summary of Findings

1. The research study revealed that most Estate Surveying and Valuation practitioners in Benin city have frequently been involved in residential property valuations for various purposes which include; for purchase and sale, letting, loan grant, and insurance/rating.
2. The research study also revealed that about two-third of

the valuers practicing within the Benin metropolis experience influences from different client groups which include; private individuals, Banks, Investment companies, Insurance companies, Developers as well as from Housing and Development Boards.

3. The research study further revealed that clients in Benin metropolis attempt to influence valuation opinions of valuers in several ways, particularly with reward/coercive powers, as well as expertise and expert power, information power and least with procedural power.
4. It was also discovered from valuers in Benin metropolis that client influence when adhered to generate a high fluctuation in valuation opinions which most at times bring

about over valuation and really short or under valuation. Such influence also result in professional malpractice, legal/litigation cases and as such produces a poor reliable market evidence for subsequent valuation references

5. The test to validate the hypothesis that “Clients do not influence valuers’ opinion” in Benin metropolis through a correlation between the various client groups and the different value opinions based on various purposes of valuation indicated that private individuals majorly influence value opinions but such influence is only significant in valuation for mortgage (granting of loan) purpose, Banks however moderately influence value opinions with significance in purchase and sale, and mortgage (granting of loan) purposes, Investment companies as well as Insurance companies moderately influence value opinion with significance in purchase and sale, and letting purposes respectively, Developers of property also moderately influence value opinion with significance in letting and mortgage (granting of loan) purposes, while Housing and Development Boards majorly influence value opinion with high significance level except in valuation for mortgage (granting of loan) purpose.
6. From the foregoing, irrespective of the fact that most valuers in Benin metropolis agreed to have experienced influence from clients, such are not significant enough to influence the valuers’ opinion. Hence the null hypothesis (H_{01}) which is “Clients do not influence Valuers’ opinion” is accepted.
7. The test to validate the hypothesis that “Client influence does not have significant effect on valuers’ opinion” in Benin metropolis, a correlation between the frequency of client influence experienced by valuers and the various forms of influences imposed on them by clients. Although, valuers in Benin city admitted to experiencing different levels of influences from clients on value opinions, reward/coercive power stands out as the most adopted form of influence by clients besides expertise/expert power, information power and procedural power. However, none of these clients influence was significant.
8. From the foregoing, irrespective of the fact that valuers in Benin metropolis experience different forms of clients’ influence, they have insignificant effect on value opinion. Hence the null hypothesis (H_{02}) which is “Client influence does not have significant effect on Valuers’ opinion” is accepted.
9. However, valuers in Benin metropolis indicated that clients’ influence, if adhered to would result in over valuation of residential properties, furthermore, such adherence could also lead to short or under valuation, professional malpractice, unreliable market evidence for reference and in some instances result in legal/litigation cases.

Conclusion

This project work has examined the effect of client influence on valuation opinions of valuation opinions in Benin Metropolis. The study reflected that valuation opinion determination is very often carried out by valuers on residential properties I Benin city for various purposes. However, Clients from various sectors attempt to influence the

value opinion outcome of the valuer in their favour through different means which if adhered to by the valuer would result in variation of value opinion from the normal and this can generate series of effects of the practice, personality and integrity of the valuer as well as making his value judgement unreliable for further reference.

The study concludes that private individuals and Banks tend to influence value opinions of residential properties in Benin Metropolis the most particular for the purpose of purchase and sale, and mortgage (granting of loans) majorly adopting the means of reward/coercive power which could result in over valuation, thus providing an unrealistic and therefore unreliable value opinion as market evidence for comparables. Nevertheless, valuers in Benin Metropolis insisted that influence from clients, despite its existence do not pose a significant effect on their value opinions, as they resist the clients’ influence and thereby maintain the required valuation standard.

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