

Global Journal of Engineering and Technology

Vol. 4, No. 2 (20110 225-233)

INFLUENCE OF VALUATIONS ON PROPERTY PRICES IN NIGERIA

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Abstract: Over the years, researchers in the UK, US, Australia and Nigeria have attempted to ascertain if valuations are good proxies for realized prices by means of statistical tests particularly standard deviations and regression analyses. However, Baum A., Crosby N., Gallimore, P., Gray, A., and McAllister, p., (2000) demonstrate that such comparisons of realized prices and prior valuations stand above the market, which is not the case in the UK market. This work aimed at determining if a casual relationship also does exist between prices and property values in Lagos State. A total of 135, 91, 25 questionnaires were distributed to valuation firms, property development/property investment portfolios and commercial banks respectively. data was measured by means of Linkert Scales and analysed using weighted average frequency distributions and the Kruskal-Wallis test on non-parametric data. It was discovered that values produced by valuation firms mimic those of in-house valuers of development companies/property investment portfolios and banks, both in method and figure. The valuations do not however stand above the market but have a casual influence on price. It was advised that in order to prevent crashes such as was experienced in the UK, valuation stakeholders continue to drive the valuer to greater levels of efficiency.