Clients' Perception on the Accuracy and Consistency of Mortgage Valuation in Abuja Metropolis

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Abstract: *This study examined clients' perception on the accuracy and consistency of mortgage valuation in Abuja metropolis with a view to improving the quality of mortgage valuation practice. The study adopted a quantitative approach, where data was collected using questionnaires from 52 branches commercial Banks randomly selected from the study area. The data collected were analysed using frequency distribution and mean raking for the variables. The study revealed that Valuers adopt inappropriate method of valuation, lack of access to adequate and reliable market data, respond to client influence, lack uniformity in choice of valuation input and the mode of interpreting valuation information and adopt subjective opinion against explicit calculation from market data. It was recommended that emphasis should be placed on members' specialization in the valuation practice, latest edition of NIESV valuations standards (2019) be widely distributed and enforced and NIESV should make it mandatory for all Estate Surveyors and Valuers to submit relevant data (sales figures, rental values, outgoings, yield rates, etc) on all transactions with respect to property sales and lettings compulsorily for the purpose of building and regularly updating a data bank.*
Keywords: clients' perception, valuation accuracy, valuation consistency, mortgage valuation

INTRODUCTION

Mortgage Valuations play essential roles in any economy. One of these roles is the use of Mortgage valuation as a measure of investment performance of collaterals to mitigate the risk of loan underwritten process. Mortgage is a transaction whereby a borrower grants an interest in his property to a lender as collateral for a loan. The transaction is usually effected by a deed in which the borrower commits to paying

the loan amount together with interest thereon (Chiwuzie, Mbagwu & Adeipukun, 2017). The ability of a bank to sustain credit risk in its loan and advances depends on the reliability of mortgage valuation. Thus, the original reason for providing a valuation for mortgage purpose was to prevent or at least restrict the misrepresentation of assets values as a means of perpetuating fraud, avoiding blame or concealing losses. Therefore, it is important in the loan underwritten to know the degree by which the asset value exceeds the loan in providing the margin of asset cover or the loan-to-value ratio (Hassan, 2021).

The performance of mortgage valuation depends on the quality of the data input, assumptions, valuation methodology and the judgment exercise by Valuers in the valuation (Chukuemaeka (2014). Clients generally depend on valuation opinions to make decisions on mortgage, insurance and other purposes. Such clients expect valuation opinions to provide an accurate basis for their investment decisions. Unfortunately, there is growing suspicion that the advice the Valuers offer is driven by the need to increase or generate fees and that his assessment methods are shrouded with mystery and are indefensible (Chinaza, Fidelis & Chukwudi 2019). Nwosu (2019) similarly observes that "outside the property industry there is wide suspicion of the valuation process". In developed countries such as the UK and US, accuracy studies have been made to probe such allegations. (see Blundell & Ward 2008, Abrams, 2004). The need for accuracy studies is not restricted to developed countries: all countries require investigative studies which could suggest how its valuation profession can put its house in order (if inaccuracies are detected), so that its clients can confidently base their decisions on valuation estimates (Hassan, 2021).

In Nigeria today, the disparity in valuation opinion of Valuers has been an object of discussion in real estate profession. The competence of the valuer as well as the reliability of valuation report has been paramount in these discussions. Gambo (2011) noted that both within and outside the profession the valuation process has been the focus of recent debate and controversy as cases of two or more Valuers giving different opinion of values for the same interest in property with wide margins of variation abound. In the same vein, there has also been a focus on the seeming inability of valuation estimates to accurately represent/interpret market prices or serve as a security for bank loans (Ayedun, 2009).

The effect of non-reliability of property valuation cannot be over emphasized in any economy. According to Adekoge, Olaleye and Oloyede (2011) Figures obtained during valuation exercises are very crucial to the operations and business dealings of the clients. Wrong opinion of value can cause strain in business dealings. For example, various banks have suffered losses by granting loans in excess of actual value, and many company owners have been led to believe that they were making profits in assets while actually they were running at loss. In addition, many were being led into businesses that were perceived to be profitable while in fact they were not viable.

Previous studies investigating issues related to valuation reliability in Nigeria mostly concluded that valuation as it is now, is not a good indicator for market price and mortgage transactions due to prevalent valuation inaccuracy, inconsistency, and irrationality (Ogunba & Ajayi, 1998; Ajibola, 2006; Babawale & Ajayi, 2011, Ajibola 2011, Effiong 2015, Oduyemi, Okoro and Fajana 2016,). Comments of this nature have led many to ask whether estate surveyors and Valuers are interpreters or creators of value. From the above statements, it is obvious that the problem of non-reliability of mortgage valuations exist in Nigeria.

In Nigeria, several academic attempts have been made to investigate issues related to valuation reliability (see Igboko, 1992; Ogunba, 1997; Ogunba and Ajayi, 1998; Aluko, 2000; Ajibola, 2006; Babawale, 2008, Ayedun, 2009, Ajibola 2010, Ajibola 2011, Babawale and Omirin 2012, Adekoge, 2013, Babawale 2013, Olafa 2015, Effiong (2015) Oduyemi, Okoro and Fajana 2016 Bilkisu, 2017, Ayedun, Durodola, Oloyede, Akinjare and Oni 2018 Nwosu 2019, Atilola, Ismail, Achi and Bujang 2019). However, these studies focus on degree of valuation accuracy and factors influencing valuation accuracy. The few studies investigating the issue of valuation consistency in Nigeria addressed the issue in the context of southern Nigeria property market experience and empirical data (Effiong, 2013, Adegoke, 2016, Oyedeji and Sodiya, 2016). Hence, this gap in literature necessities the study in Abuja Metropolis.

LITERATURE REVIEW

Valuation Accuracy and Consistency

Valuation accuracy is the degree to which a valuation estimate correctly identifies its target (Mabuza, 2017). If the valuation basis is market value, this is the ability of the valuer to identify the sale price of the property (or rent on letting if market rental value). In accuracy studies, the target is usually defined as the subsequent sale price transacted in the market place. If they are close, the valuation is accurate, and vice versa. Valuation consistency is a measure of the ability of two or more Valuers to produce the same value for the same property on the same basis at the same time. Variance is therefore unrelated to market price and is essentially a theoretical measure used to indicate the reliability of valuations or the robustness of valuations. Valuation bias is the systematic (as opposed to random) deviation between valuations and true values/prices. (Effiong 2013)

The need for accurate valuations is necessitated by the fact that mortgage institutions rely heavily on valuations for their lending decisions. The issue of valuation accuracy can be traced back to the work of Hager and Lord (1985), in the United Kingdom (UK) when they conducted a small survey of ten Valuers who were invited to value two properties. Before carrying out the study a benchmark of ±5% was adopted. In one case, the range of valuations was ±10.6% and in the other was ±18.5% suggesting a low level of accuracy relative to the benchmark of ±5%. After this work the valuation firm Drivers Jonas provided funding so that the Investment Property Databank (IPD) could carry out detailed research into valuation

accuracy in the United Kingdom. The Royal Institute of Chartered Surveyors later took over the role of sponsor as the valuer's professional body (Mabuza, 2017).

Continued criticism from within and without the appraisal fraternity have led to an outcry for accurate valuations. A lot has since been written about reliability worldwide both qualitatively and quantitatively in an attempt address the valuation accuracy issues. Worth noting is that these studies have produced contradicting results, with a significant number of the studies suggesting that non-reliability exists (see for example Ayedun, 2011, Babawale, 2013, Oyewale and Abiodun, 2016, Adegoke, 2016). However, studies such as Blundell and word, 2008, Mokrane, 2002, Aluku, 2004, and Mabuza, 2017 suggests high correlations between valuation estimates and sale prices.

Benchmarking Valuation Accuracy and Consistency

It is noteworthy that whilst a hundred percent valuation accuracy in market price prediction is an "aim" (Millington, 1985), it should neither be expected nor necessarily sought to be fully achieved, in a prior valuation. Millington (1985) in the study carried out in UK argues further that expectation of absolute accuracy (or a zero percent margin of error), is "foolish" and akin to an aspiration to predict the winner of the Grand National, which if achieved, would remove risk, and the prospect of gains and losses from property investment. The fundamental characteristics of property as an asset class, the imperfect nature of the property market, the lack of a central register of sales, the individual character of buildings and confidentiality of information are all cited reasons which can preclude accuracy (see, for example, Mcallister (1995) and Millington (1985). Millington (1985) observes that the condition of full information of prices, homogeneity of product, ease of mobility of participant and product and competition between numerous active participants exist in a perfectly competitive market but are absent in the property market.

Acceptance of Millington's arguments does not however preclude the establishment of an appropriate margin of error acceptable to all stakeholders ; Valuers, courts, the Valuers' clients, professional institutions etc. At the moment, there appears to be no universal consensus as to what the acceptable level of inaccuracy should be. What level of inaccuracy can be recommended as acceptable to all valuation stakeholders? There is as yet no clear guidance on this from the professional bodies. For example, at no point even within the RICS's Valuation Standards Manual (the "Red Book"), or any of the RICS's professional guidelines is there any definition of what constitutes the acceptable minimum level of accuracy that should be achieved by Valuers working within the scope of the manual definition (Harvard, 2001). There is similarly no guidance in this regard from Nigeria's Valuation Standard.

One may therefore turn to valuation accuracy studies and legal cases for some insight. Hager and Lord (1985) whose work in UK was among the studies that provoked much of the later works on valuation

accuracy envisaged a range of ±5 % either side of the 'correct' value; Baum and Crosby (1988) cited "margins of error" of ±5 % to ±15 %. In Nigeria, Ogunba and Ajayi (1998) employed a margin of error of ±5 % taken after Hager and Lord (1985)'s study while Ogunba (2003) employed a margin of error of ±10 per cent. In Australia, Parker (1988) carried out a property valuation estimate accuracy study in which ±5 % to ±10 % margin of error, a mode of ±5% and arithmetic mean ±6.04% were adopted. Bretten and Wyatt (2002) in United Kingdom conducted a study amongst the valuation stakeholders on the acceptable margin of error for mortgage loan security. The result showed that 36% of the respondents favoured a ±5 % margin of error as permissible, 40% considered a ±10 % variance while 24% of the Valuers considered a ±15 % variance as an acceptable margin of error. All works cited above fail to establish a consensus, though a compromise margin of ±10% seems to be up-and-coming. Whilst valuation inaccuracy appears to be generally expected, there are however considerable differences as to what should constitute the acceptable extent or range of such inaccuracy. While Hager and Lord (1985) anticipated a range of "about ±5 %", Glover (1985) quoted Michael Mallinson (then chief surveyor at the prudential) as citing a figure of ±10% was the outer limit of an acceptable margin of difference (this view or stand was equally supported by Mainly for Students (1985). Baum and Crosby (1988) suggested that "it is even common to quote an acceptable margin of error of up to ±15 % in valuations".

The courts in the UK have also constituted themselves into one of the major stakeholders in the discussion of acceptable margin of error. The UK court first used the permissible margin of error in the case of Singer and Friedlander vs John D.Wood & Co (1977) 243 EG 212, in which the judge held that there can be a "permissible margin of error of 10 % either side of the 'correct figure', extended to 15 % in "exceptional circumstances" (Ogunba & Iroham, 2012). In the case of Trade Credits Limited V Baillieu Knight Frank (NSW) Limited (1985) Aust. Torts Reports 80-757, Court Decision No. 18, expert evidence indicated a margin of "up to 15 % (Ayedun, 2009)". Similarly, in Private & Trust Co. Limited Vs S (UK) Limited (1983) EG 112, the Judge Rice J accepted a "permissible margin of error of 15 % on either side of (a) bracket of value (Babawale,2013)".

From the foregoing discussions, one can assume that UK literature accepts that the lack of hundred per cent accuracy is a fundamental feature of valuation principles and practice, with ±5 % to ±15 % maximum levels of variance appearing to be generally accepted within the qualitative commentaries, and 10 % to15 % generally accepted within court precedent. Thus, whilst the literature indicates inaccuracy of between 5 % and 15 % or between 10 % and 15 % as noted above, it does not consider its acceptability to the user. It appears that an aggrieved user (client) of valuation estimate may not likely succeed in a claim of incompetence if the level of inaccuracy is +/-15 % of the market sale figure. From the study of literature so far, the position of the user of valuation estimates has not been the subject of much research.

Concept of Mortgage Valuation

A Mortgage can be described as the process of using a property as security for a loan. Merriam-Webster (2019) defines mortgage as a loan in which property or real estate is used as collateral. The borrower enters into agreement with the lender wherein the borrower receives cash upfront then makes payment over a set time span until he pays back the lender in full. A mortgage valuation can arise from a consent given by a bank or a request from its customer to borrow money from the bank. The loan is usually backed by a collateral security which the bank calls for its valuation to determine its market value (Mfam & Akpan, 2014). A mortgage is a transaction in which one party (a mortgagor) grants another party (a mortgagee) an interest in his property as a security for a loan that the mortgagee is granting the mortgagor (Ogunba, 2013; Johnson, Davies & Shapiro, 2000). Aluko (2007) sees mortgage as the giving of an interest in land as a security for the repayment of a loan, the borrower having the right to recover the title to the land when the loan is repaid. He further stated that the person at critical disadvantage or position should there be a default in the payment of the loan is the mortgagee or lender. Ogunba (2013) have listed four remedies to the mortgagee if the mortgagor defaults in the repayment of the loan to include the following.

> To appoint a receiver to collect the rental income from the property.
> To take possession of the property, effectively becoming the receiver of the rental income
> To apply to the court for a foreclosure order of sale. Which will have the effect of extinguishing the mortgagor's equity of redemption.
> To sell the property under the implied power of sale.

It is clear from iii and iv above that valuation for mortgage can be assumed to be on the same principle as if for sale, since, the lender, in order to realize the security can take advantage of foreclosure order or power of sale. But Aluko (2004) observed that Central to this, the property must be assumed to have been sold for cash consideration in the open market at the valuation date. The open market value (OMV) is intended to represent the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have acted knowledgeably, prudently and without compulsion (IVSC, 2007).

The OMV establishes the upper limit above which the lender should not exceed in advancing loan. It enables the lender to evaluate the potential profitability or marketability and security of the mortgage investment as at the date of valuation. The OMV is also taken into consideration where the mortgagor is in default or distress and, the mortgaged property is to be disposed of in the open market to defray the debt owed (Aluko, 2004).

In making a valuation for mortgage purpose, the ordinary principles of valuation apply, Chukwuemeka, Iroham and Osmond, (2014) observed that both the Valuers' training and valuation regulatory bodies generally prescribe a systematic step-by-step process the valuer is mandated to follow through from valuation instruction to arriving at opinion of value. The International Valuation Standards Committee (IVSC) prescribed an eight-step valuation process model comprising the definition of problem (identifying the legal, physical, and economic characteristics of the property including the scope of the assignment and limiting conditions); site inspection and market studies; data collection, selection and analysis; choice of appropriate valuation basis and method(s); reconciliation of values indicated and arriving at the final opinion of value; and reporting of the defined value.

Wyatt (2003) noted that inaccuracy can be introduced into the valuation process at any stage beginning from the instruction given by the client through to inspection of the property, selection of comparables, Valuers' approach to the valuation, choice of method (s), calculations to arrive at the defined value, and the final valuation opinion, which may be adjudged accurate or inaccurate.

Implications of Valuation Inaccuracy and Inconsistency on Mortgage valuation

The two possible forms of valuation non reliability are overvaluation and undervaluation (Mallinson & French, 2000). Overvaluation implies that the value of the collateral value is inflated and may not support the transaction, thereby creating a credit risk if relied upon (Oyedeji & Sodiya, 2016). Where the opposite is however the case (i.e. undervaluation) it implies an over protection of the provider of finance at the detriment of the user of fund (developer). At the instance of the latter, the collateral"s potential is underestimated, ultimately reducing fund available to developer. For instance, where an investment appraisal considered to attract finance is undervalued, the potential returns will be underestimated and therefore renders it less attractive to investors (financiers) and vice versa. On the other side, where a sale value of a proposed project is over bloated in a forward sale/letting arrangement, the subscribers will not be able to recoup the invested capital within an expected period and where it is financed by loan, the returns from the letting /sales of the project may not be able to service/offset the loan due to inaccurate cash analysis developed from the initial valuation.

The contribution of secondary mortgage institution to real estate finance cannot be overemphasized. Nubi (2003) established that mortgage system cannot work effectively without a functioning secondary mortgage institution. The success of secondary market in the U.S has led both private and public sector officials in many countries to recommend its creation as a way of enhancing the flow of fund to housing. However, Lea (2002) emphasized that it is not possible to have a sustainable secondary mortgage market unless there is a healthy and well developed primary mortgage. Furthermore, he added that without an

accurate valuation, the dream of a functioning secondary mortgage market will remain a mirage. Therefore, accuracy of property valuation determines functionality and sustainability of the mortgage system.

Also, in an event where investment in real property is to take the form of „sale and leaseback, the principle here involves the outright sale of one's interest in a real property as a means of obtaining finance. The same property sold is then taken on leasehold basis by the seller. This method has the advantage to the seller in the sense that he can get enough funds for his project and at the same time secure occupation. He can also obtain higher fund than in a mortgage transaction. Meanwhile, if the selling price of the land is derived from an inaccurate valuation (say under valuation), it will reduce the amount that will be paid by the buyer and the fund which will be available to the seller for the project.

The principal issue in valuation accuracy is standardizing the information set to ensure that all Valuers are equally informed. Valuations are functions of information. The better the information set the better the valuation. The spread of valuations depends upon the completeness of information while only the difference in interpretation may lead to possible transactions (Brown, 1992) In Tanzania, Sanga (2004) identified that there is low level of lending in the country despite financial institutions cash reserve (loanable funds). Also noted that lenders prefer increasing level of interest rate (on lending) and this bears noticeable relationship to lending pattern. He noted financial institutions (lenders) have largely criticized Land Act 1999 and lack of reliability on valuation of collateral as a disincentive to lending, hence the use of high interest rate and other regulatory measures. The level of interest rates was compared and contrasted to a number of registered mortgages for a period of 1999-2002 and there is a negative correlation between interest rates and number of registered mortgages.

METHODOLOGY

The study adopted quantitative research approach and descriptive survey design to collect data from Commercial Banks in Abuja Metropolis. Field questionnaire survey was used to gather primary data for the research. Structured questionnaires with close-ended questions were administered based on a cross sectional survey to 77 key officers of commercial Banks. Specifically, the questionnaires seek respondents' perception or opinion on the accuracy and consistency of mortgage valuation in the study area. The respondents were selected based on stratified random sampling technique. Response on the variables was obtained using a 5-point Likert scale. The questionnaire is divided into three (3) sections. Section A is the demographic information of the respondents, section B is question on valuation accuracy and section C is question on valuation consistency. The secondary data was sourced from valuation reports, text books,

journals, relevant academic thesis and dissertations; conference and seminar papers, library and online sources. The data collected were analysed using frequency distribution and mean raking for the variables.

RESULT AND DISCUSSION

A total of 77 questionnaires were administered to Key officers of commercial banks within Abuja metropolis. A response rate of 68% was achieved.

Profile of Bank Officials

Table 1: General Characteristics of Respondents Bank Officials

VARIABLES	OPTIONS	FREQUENCY	PERCENTAGE
Gender	Male	32	62
	Female	20	38
Age	Below 30 years	0	
	31 – 40 years	17	32
	41 – 50 years	23	44
	51 – 60 years	12	24
	61 and above	0	
Highest academic qualification	HND	20	39
	BSc	28	53
	MSc	4	8
	PhD	0	0
Years of professional experience	1 – 10	7	14
	11 – 20	22	44
	21 – 30	18	35
	31 and above	5	7

Table 1 above provides information on various characteristics of respondent bank officials. The table indicated that 62% of the respondents are male as against 38% female respondents. This might be due to the stress and pressures of Bank work which might discourage some women at the child rearing stage. The majority of the Bank respondents had either a Bachelor Degree (53%) or Higher National Diploma (39%) while 8% of respondents had Master of Science degree. The above statistics show a high education base for the Bank respondents which implies that the respondents are sufficiently educated to understand and respond to the various questions.

Table 6 also showed that majority of the respondents have 11 - 20 years of professional experience (44% of respondents), while 35% of the respondents had 21 - 30 years of experience. This also implies that majority of respondents have sufficient experience to provide reasoned responses.

Valuation Accuracy

Table 2: Descriptive statistics on valuation accuracy

	Mean	Std. Deviation	Ranking	Remark
Client influence through reward	4.69	0.64	1st	Very High
Inappropriate valuation methodology.	4.50	0.21	2nd	Very High
Adoption of outdated rules of thumb yields.	4.35	0.16	3rd	Very High
Lack of adequate and reliable databanks	4.01	0.42	4th	Very High
Clients requesting high valuation figures to qualify for higher loan amounts	3.94	0.09	5th	High
Client withholding information detrimental to their valuation outcome.	3.92	1.16	6th	High
Lack of representative data.	3.78	0.66	7th	High
Comparable data are not readily available.	3.71	0.35	8th	High
Client achieving a desired end result through material and nonmaterial punishments.	2.08	0.95	9th	Low

The results in table 2 showed that the respondents strongly agreed that clients influence the end result of valuation through material and non-material rewards (4.69) and Valuers adopt cost approach to value when valuing investment properties (4.50) in the study area ranked 1st and 2nd respectively. The respondents also agreed that Valuers adopt outdated rule of thumb yields (4.35) when using investment method of valuation, they have no access to adequate and reliable databanks (4.01), clients request for high valuation figures to qualify for higher loan amounts (3.94), and client don't provide Valuers with information they perceived is detrimental to their preferred valuation outcome (3.92), Valuers encountered difficulties in accessing representative data (3.78) and Valuers rarely have access to comparable data (3.71), ranked 3rd to 8th in that order.. The result further showed that the respondents disagreed that clients provide them with material and nonmaterial punishments with a view to achieving a desired end result (2.08).

This finding is consistence with the findings of Aluko (2007), Ayedun (2009) and Oyedeji and Sodiya (2016) which revealed that Valuers blindly adopt cost method of valuation when valuing investment properties. This has serious implication on valuation accuracy as it tends to over values property in the

market as only the supply side is taken into consideration. The finding is also consistent with the findings of Aluko (2000) and Ogunba and Ojo (2007) which revealed that data is the driving force that fuels valuation accuracy, but a problem faced in Nigerian is the adoption of rule of thumb in determining valuation variables which is compounded by lack of adequate and reliable data bank. The implication of this is that the investment method of valuation will not produce valuation estimate that serve as good proxy for market price since it thrives on market evidence.

Valuation Consistency

Table 3: Descriptive statistics on valuation consistency

	Mean	Std. Deviation	Ranking	Remark
inconsistency in determining valuation variables	3.70	0.53	1st	High
Subjective assessment.	3.35	0.93	6th	High
inconsistency in analyzing valuation data	3.22	0.01	2nd	High
Valuation heuristic	3.21	1.05	7th	High
Inconsistency in valuation method	2.87	1.12	3rd	Moderate
inconsistency in collecting valuation data	2.82	1.06	4th	Moderate
Inconsistency in determining gross income, outgoings and yield	2.62	1.23	3rd	Moderate

The results in table 3 revealed that the respondents agreed that Valuers don't have uniform mode of determining valuation variables (3.70), Valuers adopt subjective assessment based on past experience against explicit calculation from available market evidence (3.35), Valuers don't have uniform mode of analyzing valuation data (3.22) and form preconceived opinion on the worth of the property being value before conducting valuation assignment (3.22) ranked 1st, 2nd, 3rd and 4th respectively. The results also showed that the respondents were neutral to Valuers uniformity in the choice of valuation method (2.87), uniformity in the mode of collecting valuation data (2.82) and the wide differences in valuation firms' mode of determining gross income, outgoing and yield in the investment method of valuation formulae (2.62) ranked 5th to 7th respectively. This implies that valuation inconsistency in the study area is high, moderate and low respectively.

This finding is consistent with the study of Ayedun (2009) and Ekenta and Iroham (2014) which revealed that there is general lack of uniformity in choice of valuation method, in the mode of determining valuation variables and interpreting valuation information among practicing Valuers. The implication of this is that given any valuation assignment, different valuation firms will arrive at widely divers valuation estimates

thereby making the profession to lose its integrity. This development will cast doubt on the ability of the techniques employed by Valuers to produce consistent results. The finding is also consistent with the study of Ayedun (2009) and Iroham (2012) which revealed that Valuers tend to employ data inputs most easily recalled in their calculations rather than drive the input through market evidence and sometimes adopt valuation heuristic which the authors refers to a situation where Valuers form a preconceived opinion on the value of a property and then work to the preconceived answer as it were. The implication of this is that given any valuation assignment, if Valuers depend on their subjective assessment or resort to anchoring heuristics they will not produce consistence result. This development is a rejection of the standard valuation process taught to Valuers which emphasizes valuation based on thorough market surveys.

CONCLUSION AND RECOMMENDATION

The study examined commercial bank perception on the accuracy and consistency of mortgage valuation in Abuja Metropolis. Findings from the study have shown that Valuers adopt inappropriate method of valuation, lack access to adequate and reliable market data, respond to client influence, lack uniformity in choice of valuation input and the mode of interpreting valuation information and adopt subjective opinion against explicit calculation from market data. This has serious implication on the credibility of the profession since if clients loss confidence in Valuers opinion of values, they may tend to look elsewhere to satisfied their demand.

Estate Surveyors and Valuers should put in place quality control measures in their practice so as to improve the reliability of their valuation report. Emphasis should be placed on members' specialization in the valuation practice, the latest edition of NIESV valuations standards (2019) be widely distributed and enforced, and NIESV should make it mandatory for all Estate Surveyors and Valuers to submit relevant data (sales figures, rental values, outgoings, yield rates, etc) on all transactions with respect to property sales and lettings compulsorily for the purpose of building and regularly updating a data bank.

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