

Title: Usage of Major Heuristics in Property Investment Valuation in Nigeria.

Author(s): Iroham C. O., Ogunba, O. A., Oloyede, S. A.

Outlet: African Research Review Vol. 7 (4), 2013 Pp.93-119

Date: 2013

Abstract: The study addressed the gap in research on major heuristics in property valuation hitherto confined to anchoring and adjustment at the neglect of the other three: availability; representative and positivity. The aim was to investigate usage of all types amongst Nigerian valuers. The study undertook cross-sectional questionnaire survey of 159 of the 270 Head Offices of Estate Surveying and Valuation firms in Lagos Metropolis, while 29 and 30 questionnaire were distributed to the Head Offices of the entire Estate Surveying and Valuation Firms in Abuja and Port-Harcourt respectively. Statistical tools such as frequency distribution tables and relative importance indices (RII) were employed. Results revealed that apart from anchoring and adjustment (RII =2.359), valuers also make recourse to availability (frequency counts for various parameters: outgoings, 71.9%; rental evidence, 55.7%; and yield, 63.5%), representative (RII for various parameters: different locations in neighbourhood 1.80; extra bathroom and toilet, 2.012; disparate plot size, 1.63; larger parking space, 1.66; extra garrage, 2.1; high quality floor/wall finishes, 1.71) and positivity (frequency count of above 80%). The results were above average hence the researchers confirmed the usage of the other three heuristics. The study emphasised need for focus in other major heuristics for more holistic research.