

Effect of Valuation on Auctioneering Practice in Lagos State

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Certification

This is to certify that this thesis titled Effect of Valuation on Auctioneering Practice in Lagos State was carried out by Ndali Bridget ORANYE with Matriculation number LCU/PG/005016, in the Department of Estate Management, Faculty of Environmental Design & Management, Lead City University, Ibadan, Nigeria and that this work had not been previously submitted.

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Dedication

This is dedicated to God Almighty for the Grace to finish this very major task of academics. I praise His name forever and ever, Amen!

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Acknowledgement

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Abstract

It has been established that there exists a strong nexus between the practice of Estate Surveying and Valuation and the practice of Auctioneering. This study therefore examined the effect of valuation on auctioneering practice in Lagos state a view to providing information that would enhance the practice. The study employed a descriptive research design in order to be able to gather information from various auctioneering firms and the professional estate surveyors and valuers in the study area. Questionnaire were administered on forty-three (43) professional auctioneering firms affiliated with the Certified Institute of Auctioneers Nigeria (CIAN), and thirty-seven (37) estate surveyors and valuers that are into auctioneering practice. The study employed the use of descriptive data analytical techniques, and the information was presented in tables, Pie and Bar charts respectively. The study found that the majority of the auctions firms have been established for long, are medium-sized firms, have between 1-10 employee sizes, majority operate a single branch of their firms and majority are registered members of CIAN. The study also found auctioneering procedures never deviate from valuation reports in 25% of cases, while they sometimes deviate in 50% of cases, while “Rarely” and “often” deviations are reported by 16.7% and 4.2% of respondents, respectively, with another 4.2% stating that they “always deviate”. Regarding the influence of valuation reports on bidding strategies and outcomes in real estate auctions, the majority (79.2%) reported sales at or above the reserve price. A smaller proportion (12.5%) experienced sales below the reserve price, while a minimal 4.2% reported either multiple bidders driving up the price or a stalemate/no sale. The findings also suggests a strong reliance on valuation reports to set reserve prices, which helps ensure that auctioneers set realistic and informed minimum acceptable prices. On impact of various factors considered by auctioneering firms in real estate-related decisions, the study found that location is the most consistently important factor, with 41.7% of respondents stating it always influences their decisions, resulting in the highest mean score of 4.1 ± 0.88 . Marketing and Promotion is also crucial, as indicated by a mean score of 3.9 ± 1.06 , with 41.7% of respondents emphasizing its importance. Market condition, and Property Type and Condition, both hold significant sway as well, each with a mean score of 3.9, underscoring their substantial roles in decision-making. The study concluded that Valuation reports and various influencing factors play critical roles in auction outcomes and real estate decisions, emphasizing the need for targeted expertise and market adaptability. By understanding these dynamics, auction firms can strategically position themselves for success, optimize their operations, and better meet market demands.

Keywords: Valuation, Auctioneering, Practice, Lagos, Auctioneering Practice

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