

Chapter One

Introduction

1.1 Background to the Study

The accuracy of property valuations in Nigeria has been a subject of criticism, with concerns about the ability of Nigerian valuers to undertake investment valuations in a reliable and consistent manner [1]. As a result of this, the question about the role of valuations in the auctioneering process and the need for improvements in the valuation industry has been an on-going discourse among many professionals in the real estate and valuation industry. [2] have opined that there exists a strong nexus between the practice of Estate Surveying and Valuation and the practice of Auctioneering. This nexus, according to him, is derived from the body of knowledge gained by Estate Surveyors and Valuers in the area of real estate agency.

[3] claim that the ancient Latin word "*augeo*," which meaning "*to increase*" or "*to augment*," is the source of the term auction. It's a method for using bids to purchase and sell products and services. According to documentary evidence, the history of auctions dates back to 500 B.C. in Greece, when women were put up for bid by prospective suitors. Similar to the Dutch approach, the auction was conducted using a declining method of bidding until the would-be suitor declared a "*befitting price*" for the woman's acquisition. Auctioneering on the other hand, is the practice of conducting sales by auction. Auctioneering can loosely be defined as an alternative method of sale or disposal; though having its unique set of generally accepted regulations and modus operandi [2]. It involves managing an auction, which is a public sale at which people can bid on items. An auctioneer is a person who manages an auction and oversees the bidding process, often encouraging bidders to compete with each other to drive the price up.

Effect of Valuation on auctioneering practice has not been widely examined. Valuation is one of the core aspects of the business and profession of real estate. Valuation in itself is a wide-ranging field and the very purpose of it may be for mortgage, privatisation, taxation, sale, visa processing, acquisition, bestowal, insurance, and asset declaration [4]. Because of the nature of property valuation outcomes which usually assist property owners and investors in making decisions [5], its effect on auctioneering practice cannot be undermined. There has been recent agitation amongst estate surveyors and valuers that auctioneering ought to be an aspect of their practice [6]. The Public Procurement Act 2007 Section 55 (1-4) specifies the need for valuation before the disposal of public assets.

Also, the Global Standards as contained in the Asset Recovery Handbook 2011 and the Stolen Asset Recovery Initiative by the World Bank and the United Nation office on Drug and Crime 2017 report on the effective management and disposal of seized and confiscated assets mandated that asset valuation must be done immediately there is a forfeiture and prior to disposal of the assets. This position is also supported by the United State Department of Justice, Asset Forfeiture Policy Manual, 2021 [7]. These above positions are what mandated the conduct of valuation before auction is conducted or carried out.

Haven laid this background therefore; this study therefore intends to investigate effect of valuation on auctioneering practice in Lagos state with a view to providing information that would enhance practice in the study area.

1.2 Statement of the Problem

The valuation reports that auctioneers use to establish the fair market prices of a wide range of products and services are extremely important. Nonetheless, there is a noticeable gap in the academic literature about a thorough examination of these valuation studies in the Lagos market.

Auctioneering practice in Lagos State, like in any other region, operates within a complex framework influenced by various factors. Valuation, as a crucial aspect of auction preparation, significantly impacts the dynamics of this practice. However, the specific effects of valuation on auctioneering in Lagos State remain underexplored. Despite its acknowledged importance, there exists a gap in comprehending how valuation procedures directly impact auctioneering practices in Lagos State.

The lack of clarity on the correlation between valuation outcomes and auction performance hampers the optimization of this process. While valuation serves as a foundational step in auction preparation, there may be inconsistencies or inefficiencies in how valuation findings are integrated into the auctioneering process in Lagos State. This raises concerns regarding the effectiveness and accuracy of valuation outcomes in informing auction strategies and outcomes. Addressing these problems is vital for improving the effectiveness, transparency, and integrity of auctioneering practices in Lagos State.

Again, not many studies have examined this phenomenon in the study area. The few studies such as [8] examined accuracy of auction sale valuations in distressed bank lending decisions in Nigeria. The study revealed, amongst others, that forced sale values are not good proxies for auction sale prices as against the conclusions of previous studies on accuracy of open market valuations either in Nigeria or other countries like UK, USA and Australia. Similarly, [6] and [2] argues for the integration of auctioneering into real estate practice and opines that the inclusion of auctioneering in the curriculum of all higher institutions offering estate management will be a welcome development that will give the estate surveyors and valuers the hedge for specialization as the professional auctioneer. These aforementioned studies didn't look at the effect of valuation on auctioneering practice and it is this gap in literature that this study intends to fill.

1.3 Am and Objectives

The aim of this study is to evaluate the effect of valuation report on the auctioneering practice in Lagos State with a view to providing information that would enhance the practice. The specific objectives are to:

- i). examine the profiles of the auction firms and estate surveyors and valuers that are into auctioneering in Lagos state,
- ii). examine the auctioneering procedures viz-a-viz the use of valuation report in the study area,
- iii). examine the effect of the valuation report on the auctioneering practice in the study area, and
- iv). examine factors that influences valuation report in auctioneering practice in the study area.

1.4 Research Questions

The study is focused on addressing the following research questions:

- i). What are the profiles of the auction firms and estate surveyors and valuers that are into auctioneering in Lagos state?
- ii). What are the auctioneering procedures viz-a-viz the use of valuation report in Lagos state?
- iii). What are the effect of the valuation report on the auctioneering practice in Lagos state?

iv). What are the factors that influences valuation report in auctioneering practice in Lagos state?

1.5 Justification of the Study

This study is justified on a number of grounds. Firstly, despite the critical role of valuation in auctioneering, there is a noticeable gap in understanding how valuation practices directly influence auction outcomes, particularly within the context of Lagos State. This study seeks to address this gap by providing empirical insights into the relationship between valuation and auction dynamics, thereby contributing to the existing body of knowledge in both valuation and auction theory.

Secondly, by elucidating the effects of valuation on auctioneering practices, this study aims to offer practical recommendations for improving the efficiency, transparency, and integrity of the auction industry in Lagos State. These insights can inform auctioneers, valuers, regulators, and other stakeholders in adopting best practices that optimize auction outcomes and mitigate risks. Valuation inaccuracies or discrepancies can pose significant risks to both auction participants and the broader economy.

Finally, understanding how valuation practices mitigate or exacerbate such risks is crucial for developing risk management strategies and safeguarding against financial losses. This study aims to provide insights that can inform risk mitigation practices within the auction industry in Lagos State.

1.6 Scope of the Study

This study evaluates the effect of valuation report on the auctioneering practice and focuses specifically on auctioneering practices within metropolitan Lagos, Nigeria. It considers the

unique socio-economic, cultural, and regulatory context of Lagos State that may influence valuation and auction dynamics. Therefore, considerations wouldn't be given to auctioneering practice outside of Lagos State.

1.7 The Study Area

Lagos State is a state in south-western Nigeria, known for being the second most populous state and the smallest in area. It is bounded by the Bight of Benin to the south and the international border with Benin to the west, and it borders Ogun State to the north. Lagos State was formed from the Western Region and the former Federal Capital Territory on May 27, 1967. The state has a vibrant culture, bustling markets, and significant economic activities, making it a key culture, education, and transportation hub for Nigeria and Sub-Saharan Africa. It is also known for its high literacy rate and has one of the largest economies in Africa, with a gross domestic product of \$84 billion [9]. The significance of auctioneering practice in Lagos state cannot be undermined. In Lagos State, where business activities are vibrant, auctioneering provides a legal avenue for creditors to recover funds from debtors who default on loans or contracts. Also, auctions conducted by government agencies serve as a means of revenue generation for Lagos State. The proceeds from auctions of forfeited assets, unclaimed goods, or surplus government property contribute to the state's budget, funding public services, infrastructure development, and other essential programs. Auctions are an efficient way for both private and public entities to dispose of surplus or obsolete assets. This practice helps in the optimization of resources and space management. In Lagos, where real estate is at a premium and commercial activities are high, timely disposal of surplus assets through auctions is crucial. Auctioneering practices in Lagos State are regulated by laws and oversight agencies to ensure fairness, transparency, and compliance with legal requirements. This regulatory framework instils confidence in participants,

both buyers and sellers, thereby fostering a conducive environment for auction transactions. Hence, the choice of Lagos for this study!

1.8 Limitation of the Study

Conducting a comprehensive study on the effect of valuation on auctioneering practices requires adequate time for data collection, analysis, and interpretation. However, one of the biggest challenges that were encountered while conducting the study was data gathering. Getting the respondents to answer the questions raised in the questionnaire was a difficult and challenging task.

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Endnote

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Chapter Two

Literature Review

2.1 Introduction

In this section, the focus is on examining the Theoretical/Conceptual/Literature review of the study. A theoretical review involves examining existing theories and concepts relevant to a particular subject or research topic. A conceptual review on the other hand, is a type of literature review that focuses on the conceptual underpinnings relevant to the study. After that, relevant empirical literatures are then reviewed in line with the research questions and objectives.

2.2 Theoretical Review

2.2.1 Prospect Theory

Prospect theory is a psychological theory of decision-making under conditions of risk, developed by Daniel Kahneman and Amos Tversky in 1979. It is based on the observation that individuals assess their loss and gain perspectives in an asymmetric manner, a phenomenon known as loss aversion. The theory challenges the expected utility theory, which models the decision-making of perfectly rational agents, and instead aims to describe the actual behaviour of people. Prospect theory has been applied to various fields, including law, political science, and economics, and has been used to analyze a wide variety of phenomena. The theory is divided into two phases: the editing phase, which refers to the way individuals characterize options for choice (framing effects), and the evaluation phase, which involves two component elements: the value function and the weighting function

Prospect theory has been applied to explain bidding behaviour in auctions, particularly in the context of first-price auctions. The theory suggests that individuals assess their loss and gain perspectives in an asymmetric manner, a phenomenon known as loss aversion. This can lead to

risk-seeking behaviour when faced with a risky choice leading to losses and risk-averse behaviour when faced with a risky choice leading to gains. In the context of first-price auctions, the standard outlook in the literature is that bidders overbid. However, the non-linear weighting functions in prospect theory can explain this overbidding.

The paper by [1] attempted to use prospect theory to explain overbidding in first-price auctions. They found that non-linear weighting functions can explain overbidding, and that the certainty equivalent function is convex in this case, which implies a risk-seeking utility function. Another study by [2] found that inverse S-shaped probability weighting functions can be used to explain overbidding in first-price sealed-bid auctions. These findings suggest that prospect theory can provide valuable insights into the bidding behaviour in auctions and can be used to develop models to predict and explain this behaviour.

2.3 Conceptual Review

2.3.1 Valuation

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 fluctuations caused by market imperfections, differences in the characteristics of the asset or differences in the objectives, knowledge or motivation of the parties. Consequently, an element of uncertainty is inherent in all market valuations as there is not a single price with which the valuation can be compared [3].

Previous researches into the valuation process have increasingly led to the conclusion that valuation is a very imprecise activity, much less precise than valuers would have the users of valuations believe. The imprecise nature of property valuation is borne out of a number of

studies into valuation accuracy and variation. These studies have led to a number of conclusions concerning the probability of a valuation being within certain parameters of a sale price (valuation accuracy) and within another value's valuation (valuation variation) [4].

[5] provided the first empirical evidence of the extent of valuation inaccuracy among Nigerian valuers practicing in the city of Lagos. In seeking to determine the extent to which Nigerian estate surveyors value opinion represent market prices, Ogunba and Ajayi tested 30 practitioners in Lagos Metropolis for consistency and reliability of their value opinions and it was revealed that valuations are not good proxy for market prices. They recommended the creation of a property database and stressed the necessity for adoption of corrective measures.

In the UK, the valuation accuracy (or inaccuracy) debate was triggered off by [6]'s work wherein they conducted a small sample survey of ten Surveyors who were invited to value two properties. In one case, the range of valuations was +/-10.6% and in the other, it was +/-18.5% suggesting a relatively low level of valuation accuracy relative to the +/-5% benchmark adopted. [7] investigated valuers' behavior in Nigeria when valuing properties in localities that they lack substantial prior experience in Nigeria. He sampled 122 estate surveying and valuation firms in Lagos metropolis. He used quasi-experimental and survey methods for the study. The researcher employed simulated valuation method in carrying out valuation of a single commercial office property located in a city that the participants/respondents were not familiar with. The study revealed a wide variance of valuation outcomes from the mean which showed that the valuation outcomes were not reliable. While the study used only a single property for valuation experiment and only supplied the participants with description of the property, this study firstly made use of real life property wherein 131 actual sale prices and valuation figures were compared and

secondly, participant valuers were requested to value 12 recently sold properties with a view to comparing their valuation outcomes with the sale figures of the properties.

However, on the other hand, most of the studies on the issue of valuation standards and practices have tended to focus on examining valuation accuracy, reliability, valuers' behavior and clients' influence on valuation outcomes. Professionals around the world have also realized that clients' perception of the quality of valuation report is a valuation topic bordering on ensuring high valuation standards and good practices. [8]'s study focuses on what clients really want from appraisal reports rather than on the appraisal reports meeting the requirements and rules of state governments, the Uniform Standards of Professional Appraisal Practice (USPAP), the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), and their professional organizations. The author conducted a survey of clients in the US by telephone interviews of a small, diverse group of appraisal clients in order to develop an appraisal client satisfaction. The findings of the survey show that changes should be made to the existing appraisal reports format by making improvements on the explanations and support of adjustments and also to enhance research of how the market is preparing its acquisition analysis and to present a survey of investors who are similar to potential buyers/sellers of the subject property. They (respondents) are of the opinion that the existing report format is too rigid i.e. appraisers do not think, what they are interested in is to determine the cost, sales, income or value, the existing format does not provide a clear line of reasoning towards the value conclusion and that nineteenth century report requirements do not address twenty-first century problems.

Comments from the survey on overall quality of appraisal reports and services indicate that a portion of the respondents believe the general level of appraisal quality has fallen over the years. According to the author the general suggestion offered by respondents is that if/when possible,

appraisers should specialize to enhance their expertise, seek to enhance client satisfaction and that commercial appraisers should learn one or two things from residential appraisers since according to the survey residential appraisers are more specialized, more in touch with their markets, and communicate better with their clients than commercial appraisers. Other survey results of which appraisers should be aware include the fact that 78% of the clients surveyed feel that the support and explanation of adjustments should be improved; that 80% of clients prefer a specific point value rather than a more realistic, narrow value range; and that 83% of clients really do read appraisal reports.

In Nigeria, [9]'s study examined the mortgage valuation process in Lagos metropolis. The author administered questionnaires randomly on Estate Surveying and Valuation firms as well as lending institutions with the intention of discovering whether the contents of mortgage valuation report meet the needs of client as well as uphold the standards set for such valuation in the profession. When the researcher compared the view of estate surveyors and lending institutions with respect to the information content of mortgage valuation reports, the author's findings revealed that mortgage valuation reports presented by valuers are not currently meeting the needs and demands of lending institutions. The foregoing has led to the need for standard in valuation practice.

2.3.2 Causes of Valuation Uncertainty

A lack of adequate identification and disclosure of material uncertainty has been identified by a number of global institutions as a contributory factor to the global financial crisis of 2007 and 2008 [3]. In 2008, the Financial Stability Forum (FSF) published an analysis of the causes and weaknesses that had produced the turmoil in financial markets. One of the five recommendations of the FSF was to enhance transparency in valuations. The focus was on strengthening disclosure

requirements, improving and converging financial reporting standards for off-balance sheet vehicles and developing guidance on valuations when markets are no longer active. The paper noted that valuation methods “result in an inevitable measure of uncertainty attaching to the point estimates of valuation. Finding ways to highlight such uncertainty is important to avoid giving management and market participants a false impression of precision”

There has been a substantial amount of research into the uncertainty and risk of valuation process in various parts of the world, especially in the US and the UK [10]. Early research tended to focus on the tangible methods used by valuers. In recent times, research has concentrated on anticipated risk that could be encountered in carrying out valuations and the way that valuation information is processed. The works of [11]; [12]; [13]; [14]; deserve academic credit and is worth to be mentioned in this regard. However, the International Valuation Standard Board (IVSB) in a discussion paper published in 2010 identified five major things that could cause valuation uncertainty. They are:

Status of valuer: As discussed earlier, material uncertainty is more likely to arise where the valuation estimate relies extensively on judgment. The accuracy and relevance of those judgments is dependent on the skill and experience of the person making them. The confidence that can be placed in those judgments by users is also dependent on whether that person is making them from a position of independence. Material uncertainty can arise if the valuer is not sufficiently experienced or is in a position which could give rise to a suspicion of bias.

Scope of Work: the certainty attaching to any valuation will depend upon both the nature of the valuation task and the degree of investigation undertaken as part of the valuation assignment. If the valuation date is in the recent past, the valuation estimate is likely to be more certain than one

made either at the date of reporting or as of a future date because hindsight assists in verifying the validity of the inputs. The degree of investigation undertaken also has an impact, as clearly a valuation estimate made after full investigation and verification of inputs is more certain than one based upon unverified assumptions. Where investigations are curtailed below the level that would be normally expected in a valuation of a particular asset for a particular purpose, then material uncertainty is likely to arise.

Market Uncertainty: this arises where there is disruption of a market caused by unforeseen events such as financial, macroeconomic and political crises. These can all have a dramatic effect on markets. This could be manifested by panic buying or selling or in other cases by disinclination to trade until the longer term effects of the event on the market can be seen. In any case market stress will generally mean that the market data will be incomplete or even contradictory, thus generating uncertainty. The impact on the markets of events such as the terrorist attacks of September 11th 2001 or the Lehman Brothers insolvency in 2008 are two examples of macro political events causing material uncertainty. Market uncertainty can also arise due to micro economic events. For example, an anticipated change in the law or impending judicial decision may result in either a decline or suspension of activity in the market for a particular type of asset or, conversely, similar circumstances may result in excessive speculative activity.

Model Uncertainty: this arises from characteristics of either the valuation model or method used. For certain asset types, more than one method may be customarily used to estimate value. However, those models may not always produce the same outcome and therefore the selection of the most appropriate method may of itself be a source of uncertainty. In certain valuation models

the outcome may be disproportionately sensitive to small variations in the input data, for example due to gearing effects in the model.

Input uncertainty: this arises from the degree of veracity that can be attached to the data inputs used in the valuation and their impact on the outcome. Examples of input uncertainty include:

- Where the input is taken from consensus data or a composite of market data, there will normally be a range between which the market value can fluctuate.
- Where inputs are based on historic data, the assumptions or methods used to adjust the data to market conditions at the valuation date can be a source of uncertainty.
- Where inputs are estimated or extrapolated from directly observable prices, uncertainty can result from the adjustments made.

It is important to note that the causes of valuation uncertainty discussed above are not mutually exclusive. For example, there is a link between model and input uncertainty as different models may use different inputs that are subject to different degrees of uncertainty. Also, an asset may be affected simultaneously by market, input and model uncertainty. Uncertainty in valuation stems from the fact that a valuation is an individual Valuer's estimate of the exchange price in the market place. It is not a statement of discerned objective fact [15].

2.4 Auctioneering

2.4.1 Auctioneering in Real Estate

You can auction almost any kind of good that meets the criteria for being an asset. Antiques, artwork, purchase agreements, basic consumer products, furniture, real estate, rights, and licenses are a few examples. Therefore, properties that are both physical and incorporeal can typically be auctioned. Nonetheless, auctioneering has been used for a lot longer in the sale of

different kinds of assets than it has in the marketing of real estate, which just recently gained popularity in "modern times." Despite this, auctions are becoming increasingly important as a legitimate substitute for individual negotiations when promoting real estate [16]. This goes against the initial negative perception of auctions because they are often associated with distressed properties, such as foreclosure or mortgage sales [17].

These distressed transactions, which often proceed more quickly at auction, are typically started by the mortgagee; but, as the stigma surrounding auctions has lessened, it appears that more owners are starting auctions these days [16]. Due to the same treatment of the two sales processes, previous studies have attempted to evaluate the revenue from private negotiations vs auctions when it comes to real estate marketing [18, 19, 20]. In reality, there are two main reasons why auctions have been researched in academic research: the first is the evaluation of auction profits to private negotiation, and the second is the identification of characteristics that determine an auction's success based on the likelihood of a sale [21]. It is clear how prices are formed and compared in real estate literature. Both sales procedures yield the same amount of money, according to [22].

[19] found a correlation between auction and price reduction in a Los Angeles study that looked at the relationship between auction prices and anticipated sales prices. On the other hand, there are times when the proceeds from auction sales are more than those from private negotiations [23]; [24]; [18]; [25]; [26]. In actuality, the price premium has already been identified in US auction property sales [23]. An additional previous study [27] found a price premium in auctions. Price premiums in auctions were also noted by [24] in Australia, [18] in New Zealand, and [25] in Ireland. One argument made in support of this is that the seller can exploit the inescapable "winner cause" scenario if the price that consumers pay is linked to their personal information.

While varied across different samples of the data, the previous findings do not rule out the discovery of discounts in auction prices when compared to expected market values [20].

The Federal Government Landed Properties first-price sealed bid auction in Nigeria also revealed the existence of auction premium. This was ascribed to the property's location, the number of bids received, the characteristics of the bidders, and the types of properties [21]. Therefore, depending on how the auctioneering process plays out, the profits from private negotiations and real estate auctions may be comparable. When properties are in favorable locations and have good ornamental elements compared to somewhat similar properties, real estate auctions have occasionally been demonstrated to command greater prices. Nonetheless, private negotiations would inevitably result in higher prices during market-troubled times when properties are distressed [26].

The factors that determine an auction's success are another important area of research in real estate auction literature, as was already mentioned. However, in contrast to the former, [16] states that this has received less attention. However, a thriving market, a larger pool of possible bidders, a more recognizable auction company, and a greater number of distressed properties, a greater number of homogenous homes, and a greater number of centrally situated properties are all necessary for a real estate auction to be successful. These results are from research conducted in Singapore [16] and the United States [17]. Additionally, research conducted in the US revealed that sellers benefit more from auctions when sizable auctions are held and economies of scale are achieved through reduced fee and advertising expenses [28].

2.4.2 A General Overview of the Valuation Process in Public Auction Sales in Lagos state, Nigeria

Lagos has a bustling marketplace where public auctions decide the fate of various goods, from seized vehicles to repossessed properties. But beyond the surface of bidding wars, there's a complex valuation process that guides the auction's path. To understand this, let's take a closer look at the methods used, the rules in place, and the human aspect that brings the process to life. At the heart of any auction is figuring out how much an item is worth. In Lagos, there are different ways to do this. The most common method involves comparing recent sales of similar items in the same area and market segment [29].

For unique items, a cost approach might be used. This method estimates the cost of getting similar items, considering materials, labor, and other costs, and then it adjusts for age and condition [30]. This is handy for valuing vintage cars or handmade artwork. Valuation in Lagos public auctions isn't a free-for-all. The Auctioneers Registration Council of Nigeria (ARCON) has strict rules for transparency and fairness [31]. Licensed valuers, following ethical codes, do the valuation. This often includes checking the item physically, examining documents like ownership certificates, and using their expertise. Additional rules may apply depending on the item. For example, the Federal Ministry of Works and Housing oversees real estate valuations [32].

Meanwhile, the National Agency for Food and Drug Administration & Control (NAFDAC) may influence the valuations of pharmaceutical products. This adds another layer of complexity. Beyond numbers and rules, people are crucial in Lagos public auctions' valuation. Valuers' experience and judgment affect the final estimate. Their ability to read market trends, predict bidder behavior, and understand the item's uniqueness can make or break the auction. Bidders

are also key players [29]. Their knowledge, assessment of the item's potential, and willingness to compete all affect the final price. A lively bidding war can drive the valuation higher than initial estimates, showing the dynamic nature of the auction market. Despite methods and rules, the Lagos public auction valuation process faces challenges like market changes, inconsistent data, and the risk of fraud. Many people may not fully understand how valuation works. To overcome these challenges, valuers need ongoing training, better data sharing, and more transparency [28].

2.5 The Profile of Auctioneers in Lagos State

In Nigeria, an auctioneer is officially acknowledged as a professional according to applicable laws, engaging in the sale of both movable and immovable items via public competitive bidding to the highest bidder when the gavel falls [33]. In order to qualify as an auctioneer in Nigeria, individuals must meet certain criteria, including being at least 21 years old, having no history of felony or fraud convictions, not being deemed mentally unstable or bankrupt, and holding a minimum of a diploma or university degree. Additionally, they must have completed training from recognized auctioneers' programs such as the Basic Professional Auctioneers Course offered by the Certified Institute of Auctioneers, the Advanced Diploma in Property Auctioneering from the University of Ibadan Consultancy, or CIAN Approved University degrees in Auction Education [33].

The Certified Institute of Auctioneers, Nigeria offers three levels of membership: Associate, Full Member and Fellow. Fellowship represents the highest level of professional auction qualification attainable in Nigeria. It is conferred annually upon distinguished auctioneers who are recommended by at least two existing fellows. Those awarded fellowship are authorized to use the designation "FCAI" after their names and on official documents. Full Members are

individuals with a minimum of five years' experience as practicing auctioneers in Nigeria. They are permitted to use the designation "MCAI" after their names and on official documents. Many associates upgrade to full membership after three years at the associate level. Associates include holders of certifications from the CIAN Professional Auctioneers Courses, Advanced Diploma in Property Auctioneering, BSc, LLB, or similar qualifications recognized by the institute, provided they have passed the institute's auction multiple-choice questions exams [33].

An auctioneer's primary responsibility is to present goods or properties for sale through a public auction, with the aim of securing the highest or most favorable bid. It is essential to recognize that in certain legal jurisdictions, the privilege to conduct public auctions is not absolute; rather, it is contingent upon adherence to reasonable regulations. Auctioneering is considered a special privilege that can be restricted unless appropriate regulations are followed. This profession is governed by public policy and subject to legislative oversight and regulation to prevent potential abuses and fraudulent practices. State legislatures have the authority to impose restrictions or regulations on the actions of auctioneers. Legally, an auctioneer's position is akin to that of an agent. As such, an auctioneer must act in good faith and in the best interests of their principal. They are obligated to conduct the auction according to the principal's instructions and can only act within the scope of their authorized authority.

An auctioneer lacks the power to bind their principal beyond the authority expressly granted. Any agreements or contracts that exceed an auctioneer's authority are not binding on the principal. The authority of an auctioneer terminates upon the completion of a sale and the collection of the purchase price. Subsequently, an auctioneer cannot modify the terms of the sale or the transfer of title without specific authorization. Furthermore, if an auctioneer conducts an auction without knowledge of the principal's lack of title or authority to sell, they may be held

liable, even if their actions were in good faith. This liability extends to situations where the property sold has a defective title, despite the auctioneer following the principal's instructions. Auctioneers must exercise due diligence to verify the title and authority related to the assets being sold to mitigate potential legal liabilities associated with the sales process [34].

The practice of conducting auctions is considered a lawful and beneficial business activity that cannot be directly or indirectly prohibited. Auctioneering and the sale of goods through auctions are recognized as legitimate and valuable endeavors. However, it's important to note that the right to conduct auctions is not absolute and may be subject to certain restrictions that must be followed to comply with reasonable regulations. This concept was highlighted in the case of *Steinberg-Baum & Co. v. Countryman*, 247 Iowa 923 (Iowa 1956). The authority to regulate auctions stems from the government's police power and is typically implemented through regulatory statutes enacted under this power, as seen in the case of *Gilbert v. Mathews*, 186 Kan. 672 (Kan. 1960).

For instance, an ordinance aimed at regulating auction sales of personal property within a city's boundaries was deemed valid in the case of *Jones v. Jackson*, 195 Tenn. 329 (Tenn. 1953). This exercise of regulatory power was justified as a means to safeguard the public interest and minimize deceptive practices. However, it's worth noting the precedent set in *Perry Trading Co. v. Tallahassee*, 128 Fla. 424 (Fla. 1937), where the court ruled that a city cannot outrightly prohibit auction sales nor impose overly burdensome regulations that indirectly lead to such prohibitions [34].

2.5.1 The Profile of Estate Surveyors and Valuers

Estate surveyors and valuers are professionals who deal with all aspects of land and property in Nigeria. They play a crucial role in the development and management of real estate in the country. They are skilled individuals who combine knowledge of real estate, law, economics, and construction to provide valuable services in the property sector.

2.5.1.1 Regulation and Oversight

The practice of estate surveying and valuation is overseen by the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON), a government body established in 1975. ESVARBON ensures that estate surveyors and valuation firms are properly qualified and licensed to practice. They also maintain a register of registered professionals [Nigerian Institution of Estate Surveyors and Valuers (NIESV) - Wikipedia].

2.5.1.2 Professional Body

The Nigerian Institution of Estate Surveyors and Valuers (NIESV) is the professional association for estate surveyors and valuers in Nigeria. Founded in 1969, NIESV promotes professionalism and high ethical standards within the field. They also provide resources and support to their members [Nigerian Institution of Estate Surveyors and Valuers: Professional and hobby associations in Abuja].

2.5.1.3 What do Estate Surveyors and Valuers Do?

Estate surveyors and valuers offer a wide range of services related to land and property, including:

- **Valuation of property:** They determine the fair market value of land, buildings, and other real estate assets for various purposes, such as buying or selling, taxation, and loan applications.

- **Property management:** They manage residential, commercial, and industrial properties on behalf of owners. This includes tasks like rent collection, tenant relations, and property maintenance.
- **Property development:** They are involved in the planning, development, and management of real estate projects.
- **Land administration and advisory:** They provide advice on land acquisition, land use planning, and land titling.
-

2.5.1.4 Responsibilities

- **Valuation:** A core responsibility of ESVs is determining the fair market value of various properties. This includes land, buildings, machinery, and other real estate assets. Valuations are crucial for transactions like buying or selling properties, securing loans, taxation purposes, and resolving estate disputes.
- **Property Management:** ESVs can manage residential, commercial, and industrial properties for clients. This involves tasks like rent collection, tenant management, property maintenance, repairs, and ensuring compliance with regulations.
- **Development Consultancy:** ESVs can be involved in the planning, feasibility studies, and overall management of real estate development projects. They advise on land suitability, development costs, and potential returns on investment.

- **Land Advisory:** ESVs provide expert advice on land acquisition, land use planning, and land titling procedures. They can help clients navigate complex legal and regulatory issues related to land ownership.
- **Market Analysis and Research:** ESVs stay informed about property market trends, demographics, and economic factors that impact real estate values. They use this knowledge to provide clients with insightful advice and inform their decision-making.

2.5.1.5 Skills and Qualities

- **Strong analytical and problem-solving skills** to assess property values and develop solutions for clients.
- **Excellent communication and interpersonal skills** to build relationships with clients, colleagues, and government agencies.
- **Attention to detail and accuracy** to ensure valuations and reports are reliable and meet professional standards.
- **Ability to work independently and manage time effectively** to meet deadlines and handle multiple projects.
- **Proficiency in using relevant software** for property valuation, data analysis, and mapping tools.
- **Understanding of legal and regulatory aspects** pertaining to real estate transactions, land use, and property management.

- **High ethical standards and integrity** to ensure clients' trust and maintain professional credibility.

2.5.1.6 Educational Background

To become a qualified ESV in Nigeria typically requires a Bachelor's degree in Estate Management or a related field, followed by professional certification from the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON).

2.5.1.7 Career Path

Estate Surveyors and Valuers can work in various settings, including:

- Private practice firms offering valuation, property management, and development consultancy services.
- Real estate development companies involved in project planning and execution.
- Government agencies dealing with land administration, urban planning, and housing development.
- Banking and financial institutions requiring property valuations for loan applications.

Overall, Estate Surveyors and Valuers play a vital role in ensuring the efficient functioning of the real estate market in Nigeria. Their expertise contributes to fair property valuations, responsible property management, and informed decision-making in real estate development.

2.6 Examining Auctioneering Procedures and the Utilization of Valuation Reports in Lagos State

During the lead-up to an auction, prospective buyers typically have the opportunity to partake in a preview period, enabling them to inspect the items available for sale and assess their condition. This preview period is often scheduled either on the evening preceding the auction day or a few hours before the auction commences [35]. Upon completing their inspection and expressing interest in participating in the bidding process, potential buyers are required to register with the auctioneer. Registration entails providing personal details such as phone number, address, and identification like a passport or driver's license number. Subsequently, each registered bidder receives a unique bidder card bearing a number that serves as their identification throughout the auction proceedings. Traditionally, the commencement of an auction is signaled by the ringing of a bell.

The auctioneer then delivers a concise description of the item being auctioned and initiates the bidding with an opening price deemed reasonable by them. Alternatively, the seller may have stipulated a minimum bid price that they are willing to accept, prompting the bidding to start from that designated price point. As the auction progresses, bidders vocalize their bids, ensuring each subsequent bid surpasses the previous one. Bidders signify their bid price by raising their bidder card, enabling the auctioneer to identify the bidder. The auction process culminates when there are no further bids, at which point the highest bidding buyer secures ownership of the item by paying their bid price. Immediate possession of the item is transferred to the highest bidder upon completion of the payment [35].

In his seminal contribution to auction theory, [32] delineated three distinct auction formats commonly utilized in practical settings: the English ascending-bid auction, the (first-price)

sealed-bid auction, and the Dutch declining-price auction. Vickrey initially juxtaposed the sealed-bid auction, where participants submit concealed bids and the highest bidder secures the item at their bid price, with the Dutch auction, characterized by progressively decreasing prices until a bidder claims the item at the prevailing price. Employing game theory principles to analyze auctions, Vickrey demonstrated the strategic equivalence between these two auction types. Specifically, a bidder in a Dutch auction is advised to wait until the price reaches their intended sealed-bid amount.

Moreover, Vickrey delved into the computation of Nash equilibrium bid strategies for participants in both sealed-bid and Dutch auction formats, revealing that each bidder should bid less than their maximum willingness to pay, with the bid discount contingent on their expectations regarding competitors' bids. This strategic approach aligns with rational bidding behavior, as bidders tend to bid lower if they anticipate competitive bids to be relatively modest. Subsequently, Vickrey explored the well-known English ascending-price auction, where bidders incrementally raise bids until one remains, elucidating that each bidder's optimal strategy is to continue bidding until the price reaches their maximum valuation for the item, subsequently withdrawing from the auction. The highest-valued bidder ultimately secures the item, paying a price equivalent to the second-highest bidder's value plus one bid increment, ensuring their victory.

Contrary to the Dutch and sealed-bid auction equilibriums, where bidders are advised to bid less than their maximum value, the optimal strategy in the English auction involves revealing one's full value, except for the winning bidder, who typically wins before reaching their dropout price. This characteristic renders optimal bidding in the English auction simpler and more robust due to the presence of dominant strategies, where an individual's optimal bidding strategy is

independent of competitors' bids. Vickrey further explored the possibility of a sealed-bid procedure that mirrors the strategic equivalence of the English ascending-price auction, analogous to the standard first-price sealed-bid auction's equivalence with the Dutch descending-price auction. He introduced the concept of a "second-price" sealed-bid auction, wherein each bidder's optimal strategy aligns with bidding their own value. This innovative auction format, later coined the "Vickrey auction" by economists, was credited to Vickrey as the first to propose such a format, with no documented instances predating his 1961 article. The rarity of Vickrey auctions in practice has prompted scholarly inquiries into their infrequent occurrence, attributing the invention of this format to Vickrey and highlighting its applications in various auction scenarios, including stamp auctions and proposed auctions for electric power generation [36].

One of the significant impacts of valuation in auction sales in Lagos is its role as a starting point. Regular valuations establish a baseline, offering a clear understanding of property worth and areas for enhancement, akin to a blood pressure monitor providing vital health insights. Consistent valuations contribute to informed decision-making during auctioneering, acting as a pivotal component in strategy formulation and execution. Valuations provide deep insights into the property to be auctioned, allowing for a comprehensive assessment of its financial performance relative to set goals. Key performance indicators (KPIs) derived from valuations extend beyond financial metrics to include non-financial aspects like corporate structure, client demographics, technology utilization, and company infrastructure.

These KPIs serve as valuable tools in pinpointing areas for improvement and optimizing property performance during auction sales. Valuations also unveil potential flaws during auction sales, emphasizing the importance of assessing both financial and non-financial characteristics of the property. This holistic approach aids in identifying areas of improvement and enhancing

overall performance during the auctioneering process. Valuations have a significant impact on property management, guiding strategic decision-making and tracking performance based on estimated value changes. This comprehensive approach enables effective decision-making, enhances accountability, and contributes to the bottom line of the auctioneering business. Moreover, valuations guide auction sales by providing a comparative baseline against similar properties, aiding in determining the Unique Selling Point (USP) and optimizing auction processes to gain a competitive advantage. Historical valuations of the property provide a price perspective, serving as a reference point for pricing strategies during transitions such as external sales or generational transfers.

Valuations also act as a gateway to capital, facilitating informed financial decisions and attracting potential lenders by showcasing the impact of finances on overall business outlook. Valuations have implications for personal finances, as property value often constitutes a significant portion of an owner's personal net worth. Understanding how property value influences personal finances enables better planning for future family goals and financial stability [37].

Auctioneering procedures can vary depending on the type of auction (e.g., real estate, art, livestock) and the specific auction house or organization conducting the auction. However, there are some common steps and practices typically followed in most auctions:

1. Preparation:

- The auction house or organizer advertises the auction, lists the items up for bid, and sets the date, time, and location.

- Potential bidders may have the opportunity to inspect the items before the auction begins.

2. **Registration:**

- Bidders register for the auction by providing their contact information and sometimes a form of identification.
- They may also receive a bidding number or paddle to use during the auction.

3. **Opening Remarks:**

- The auctioneer opens the auction with introductory remarks, including any important announcements or instructions.
- This might include details about the order of items, any special terms or conditions, and how the bidding process will work.

4. **Item Presentation:**

- The auctioneer presents each item up for bid, often starting with the item number or lot number.
- They describe the item, highlight its features or attributes, and may provide any relevant historical or provenance information.

5. **Bidding:**

- The auctioneer begins the bidding at a predetermined starting price, known as the reserve price or minimum bid.

- Bidders indicate their interest in an item by raising their bidding number or paddle, calling out their bid, or signaling in some other way.
- The auctioneer acknowledges each bid and continues to solicit higher bids until no further bids are forthcoming.

6. Closing the Sale:

- Once the bidding slows and no further bids are made, the auctioneer announces that the item is "sold" and identifies the winning bidder.
- The winning bidder may then proceed to pay for and collect the item, often completing paperwork or payment processing if necessary.

7. Settlement:

- After the auction concludes, winning bidders settle their accounts, paying for the items they won.
- Payment methods and terms may vary depending on the auction house or organizer.

8. Post-Auction:

- Unsold items may be returned to the consignors, re-listed in future auctions, or otherwise dealt with according to the auction house's policies.
- The auction house may provide post-auction reports to consignors and winning bidders, detailing the results of the auction.

Throughout the auction, the auctioneer's role is crucial in facilitating the bidding process, maintaining order, and ensuring that all participants have a fair opportunity to bid on the items. They must be skilled in public speaking, quick thinking, and effective communication to engage bidders and maximize the sale prices of the items.

2.7 Effect of the Valuation Report on the Auctioneering Practice

The effect of the valuation report on the auctioneering practice in Nigeria is significant. Valuation reports are used to determine the market value of properties, which is crucial in the auctioning process. However, the accuracy and consistency of these reports has been a subject of concern in Nigeria. Studies have shown that valuation estimates are not good proxies for sale prices and that valuation estimates of one firm are not good proxies for other firms [38, 39]. This inconsistency can lead to inaccuracies in the auctioning process, as the market value of a property may not accurately reflect its true value.

The absence of a regulatory framework and the lack of enforcement of valuation standards have contributed to valuation inaccuracy/variance in Nigeria [40, 39]. This has led to the recommendation that compliance with valuation standards and enforcement by regulatory bodies may improve the quality of valuation practice in the country [40]. In addition, challenges such as the lack of market data [41], poor educational background, and lack of experience among valuers have been identified as causes of valuation inconsistency and inaccuracy in Nigeria [39]. These factors further complicate the auctioning process, as auctioneers rely on accurate and consistent valuation reports to determine the starting bids for auctions.

Even though the valuation report does not directly impact the auctioneering practice. However, it can indirectly influence the auctioneering process by providing a basis for determining the starting price or bid increments. The valuation report can also help potential bidders understand

the value of the item being auctioned, which may affect their bidding behaviour. Additionally, the valuation report can assist auctioneers in identifying low-valuation bidders and recognizing their bids early in the auction process [42]. The following are areas where the valuation report could potentially have some effect on auctioneering practice:

Setting Reserve Prices: Auctioneers often use valuation reports to set reserve prices for items being auctioned. The report provides an expert opinion on the value of an item, helping auctioneers determine the minimum price at which they are willing to sell the item.

Marketing and Promotion: Valuation reports can be used as marketing tools to attract potential buyers to an auction. Auctioneers may highlight the findings of the report to demonstrate the value and authenticity of the items being sold, thereby generating interest and driving bidding activity.

Building Credibility: Having a valuation report adds credibility to the auction process. It assures buyers that the items being sold have been professionally assessed for value, reducing the risk of overpaying for an item or purchasing a counterfeit or misrepresented item.

Transparency and Trust: By providing access to valuation reports, auctioneers foster transparency in the auction process. Buyers feel more confident participating in auctions when they have access to detailed information about the items being sold, including their valuation.

Negotiation Tool: Auctioneers can use valuation reports as a negotiation tool when dealing with sellers or potential buyers. The report provides a baseline value against which offers can be evaluated, helping to facilitate fair and transparent negotiations.

Legal Compliance: In some jurisdictions, auctioneers may be required by law to obtain valuation reports for certain types of items, particularly those of high value or historical significance. Adhering to these legal requirements helps auctioneers avoid potential legal issues and ensures compliance with industry regulations.

2.8 Factors That Influences Valuation Report in Auctioneering Practice in Lagos

[16] examined factors influencing auction outcomes: bidder turnout, auction houses and market conditions. The analysis of properties offered for sale by auction in Singapore from 1995 to 2000 shows that several variables are significant in explaining why an auction results in a sale. These variables include the state of the market, the timing of the auction (year), the number of bidders and the auction house. The findings indicate that the probability of a sale is higher for distress sales, for more homogenous properties and for those located in the central region. [43] investigates the implication of valuation inaccuracy on investment performance of commercial properties in Akure, Nigeria. It was discovered that the most common level of valuation inaccuracy in Akure is $\pm 11-15\%$ which is above the acceptable range of $\pm 5\%$. It was also discovered that the various assumptions made by the valuers and the market indices used in carrying out valuation have the highest influence on the inaccuracy discovered in their valuation.

[44] examined causative factors of mortgage valuation inaccuracy in Kaduna metropolis. A quantitative research approach using a survey design was adopted and structured closed ended questionnaires were designed and administered to 57 registered Estate Surveying and Valuation (ESV) firms in Kaduna metropolis; 51 out of the 57 administered questionnaires were returned and used for analysis. A simple random sampling technique was employed and the 5-point Likert scale used as the scale of measurement, while causative factors were ranked using the Relative Importance Index (RII). The study analysed the data using percentages findings indicated that

data inadequacy, imperfection in the property market and clients' pressure are the most trending in the absence of a unified valuation approach. The regulatory framework and valuation methodology are least contributory to valuation inaccuracy in the study area.

Earlier study by [45] investigated Valuation Discrepancies in the Value Opinion of Professional Valuers' in the study area. The study involved the distribution of 130 questionnaires to practicing estate surveyors and valuers in Lagos metropolis, one of the most buoyant property markets in the country. By adopting the use of weighted arithmetic mean, it was discovered that presently the variance amongst Nigerian valuation is principally attributable to the adoption of different yield and lack of adequate market information by Nigerian valuers while carrying out valuation.

[46] also looked into Valuers' and Valuation Firms' Characteristics as Causes of Inaccuracy in Valuation in Nigeria. The study revealed a degree of inaccuracy that is beyond the industry's tolerance limits. The study also identified the experience and exposure of valuers; the number of valuations undertaken by valuers within a period of time; professional status of valuers; valuers' familiarity with relevant markets; and interestingly, the gender of valuers, in that order, as factors that significantly contribute to inaccuracy in residential property valuation in the study area.

To summarize it all, in simple and plain terms, and evidence from literature, valuation reports in auctioneering practice are influenced by several factors, including:

Market Conditions: The current state of the market significantly impacts valuation reports. Factors such as demand, supply, economic conditions, and trends in the real estate or asset market can influence the perceived value of properties or goods being auctioned.

Location: Location plays a crucial role in valuation. Properties situated in prime locations within Lagos, such as Victoria Island or Ikoyi, tend to command higher prices due to their proximity to

business districts, amenities, and infrastructure. Conversely, properties in less desirable areas may have lower valuations.

Property Type and Condition: The type of property being auctioned, whether residential, commercial, or industrial, as well as its condition, age, and amenities, impact its valuation. Well-maintained properties with modern facilities generally fetch higher prices compared to those in need of renovation or situated in deteriorating conditions.

Legal and Regulatory Factors: Compliance with local laws, regulations, and zoning ordinances influences valuation. Properties with clear legal titles and permits tend to have higher valuations. Additionally, changes in regulations related to taxation, land use, or environmental concerns can affect valuation outcomes.

Comparable Sales: Auctioneers often rely on comparable sales data to determine the value of a property or asset. Recent sales of similar properties in the same area provide insights into market trends and help establish a baseline for valuation.

Seller's Motivation: The urgency or motivation of the seller can influence the valuation process. Distressed sales or urgent liquidation auctions may result in lower valuations, while motivated sellers seeking quick transactions may accept lower bids.

Buyer Interest and Competition: The level of interest from potential buyers and competition during the auction can impact valuation. High demand and competitive bidding often drive prices up, while lackluster interest may lead to lower valuations.

Economic Indicators: Macroeconomic indicators such as inflation rates, interest rates, and currency stability affect valuation. Economic downturns may depress prices, while periods of economic growth can lead to higher valuations.

Currency Fluctuations: Given Nigeria's exposure to currency fluctuations, particularly with the Naira, valuations may be influenced by changes in exchange rates, especially for assets that have international appeal or are subject to foreign investment.

Marketing and Promotion: The effectiveness of marketing efforts and promotional activities by the auctioneer can impact valuation outcomes. Extensive marketing campaigns that reach a wide audience may generate more interest and higher bids, ultimately influencing the final valuation.

2.9 Empirical Literature Review

There is a dearth of empirical literature on the subject of effect of valuation on auctioneering practice in Lagos state. The few that are available looked at different aspect of auctioneering practice. For example, [9] examined accuracy of auction sale valuations in distressed bank lending decisions in Nigeria. The study revealed, amongst others, that forced sale values are not good proxies for auction sale prices as against the conclusions of previous studies on accuracy of open market valuations either in Nigeria or other countries like UK, USA and Australia. Similarly, [47] and [48] argues for the integration of auctioneering into real estate practice and opines that the inclusion of auctioneering in the curriculum of all higher institutions offering estate management will be a welcome development that will give the estate surveyors and valuers the hedge for specialization as the professional auctioneer.

These aforementioned studies didn't look at the effect of valuation on auctioneering practice and it is this gap in literature that this study intends to fill. [16] examined factors influencing auction

outcomes: bidder turnout, auction houses and market conditions. The analysis of properties offered for sale by auction in Singapore from 1995 to 2000 shows that several variables are significant in explaining why an auction results in a sale. However, this study was conducted outside of Nigeria and the outcome may not be similar to what is obtainable in the study area. Hence, the need for this current study!

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Chapter Three

Methodology

This chapter discusses the research design, the study area, population of the study, sample frame and size, the sampling techniques, instruments for data collection, and method of data analysis.

3.1 Research Design

In order to answer research questions, a researcher's approach and the instruments they use to gather and assess data are referred to as research design. This aspect of the research usually focuses on the process of gathering, analysing, and interpreting perceptions [1]. In this study, a descriptive research design would be adopted. Descriptive research is an effort to gather information from the general public with the goal of ascertaining the population's current state with regard to one or more study variables at that particular moment. With respect to this current study, it is justified to employ a descriptive research design because it would provide the researcher with the chance to gather information from various auctioneering firms and professional estate surveyors and valuers in Lagos State, Nigeria.

3.2 Population for the Study

A research population is a collection of individuals or objects that is the main focus of a scientific query. It is the benefit of the population that the researches are done. However, due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time consuming [2]. For this current study, the study population would be the auction firms in Lagos metropolis and estate surveyors and valuers who are into auctioneering practices as well. Based on the directory of the Certified Institute of Auctioneers Nigeria (CIAN), there are ninety three (93) registered auction firms in Nigeria, out of which forty-three (43) of those firms are situated in Lagos state. Also, from the preliminary survey

conducted amongst Lagos state practicing estate surveyors and valuers, 37 were identified to be fully engaged in auctioneering practices in Lagos metropolis.

3.3 Sampling Frame and Sample Size

Sampling frame for the study would be the 43 registered auction firms in Lagos metropolis based on the CIAN directory, and the 37 identified estate surveyors and valuers that are also certified auctioneers from preliminary investigations. The sample size would be total enumeration. The choice of the total enumeration was in line with the submission of [3] which suggested a sample of 50% of the population for a population above 100 and total enumeration for a population below 100.

3.4 Sampling Technique

Purposive and convenience sampling techniques would be adopted for this study. Purposive sampling involves selecting participants based on their characteristics that align with the research study's objectives, while convenience sampling is drawn from a source that is easily accessible to the researcher.

3.5 Instrument for Data Collection

According to Akogun cited in [4] research instruments are tools with which data can be collected from a given population in pursuit of the objectives of research. This study would employ the use of questionnaire, two sets of questionnaires to solicit the required information from the respondents. One of the questionnaires would be administered on professional auctioneering firms in Lagos metropolis, and the second questionnaire would be administered on estate surveyors and valuers that are into auctioneering practice in Lagos metropolis (See Appendix A & B). The choice of questionnaire is premised on the fact that it is cost effective and tends to cover a large range of respondents within a limited time lag.

3.6 Method of Data Analysis

Table 3.1: Summary of Data Analysis Techniques

	Formulated Objectives	Proposed Data Analysis Technique
Objective One	examine the profiles of the auction firms in Lagos State,	Descriptive Analysis such as Frequency Tables and percentages would be employed.
Objective Two	examine the auctioneering procedures viz-a-viz the use of valuation report in the study area	Descriptive Analysis such as Frequency Tables and percentages would be employed.
Objective Three	examine the effect of the valuation report on the auctioneering practice in the study area	Descriptive Analysis
Objective Four	examine factors that influences valuation report in auctioneering practice in the study area	Descriptive Analysis

Endnote

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4. Z. A. Uji. *Tools and Instrument of Research in Design and Allied Disciplines*. Jos, Plateau State, Nigeria: Ichejum Publications, 2009.

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Chapter Four

Data Presentation and Discussion

4.1 Introduction

The data utilized for this study were collected from two sets of study population: Estate surveyors and valuers who are into auction practice, and registered professional auctioneers that are domiciled in Lagos state through the administration of a well-designed questionnaire in order to achieve the objectives set out in this study. Two sets of questionnaires were administered and are presented in appendix 'A and B' of this work. The questionnaire distribution and retrieval exercise extend over a period of nine (9) weeks. This section of the work presents the data as obtained from the field and also discussed it as they relate to the study.

Table 4.1: Numbers of questionnaires Administered and Retrieval Rate

<i>Study Population</i>	<i>Questionnaires Administered</i>	<i>Questionnaires Retrieved</i>	<i>Percentage Retrieved</i>
Registered Auction Firms	43	24	55.8%
Estate Surveyors and Valuers	37	34	91.9%
Total	80	58	72.5%

Source: Author's Field Survey, 2024

From Table 4.1, it can be seen that a total number of 80 questionnaires were administered on both the registered auction firms and the estate surveyors and valuers. 43 questionnaires were administered on the registered auction firms in the study area of which 24 was retrieved representing 55.8%. Also, a total of 37 questionnaires were administered on estate surveyors and valuers whose professional practice also included auctioneering. 34 out of the 37 questionnaires administered were retrieved representing 91.9%. In all, a total of 58 questionnaires out of the 80

administered were retrieved representing 72.5% and was considered adequate and used for the study analysis.

4.2 Organisation Profile of Auction Firms

4.2.1 Profile of Respondents

Table 4.2: Profile of Respondents of Auction Firms

		N	%
Gender of Respondent	Female	3	12.5
	Male	21	87.5
Age	30-34	1	4.2
	35 years above	23	95.8
Highest Educational Qualification	BSc/BTech	4	16.7
	HND	5	20.8
	MSc/MTech	11	45.8
Professional Qualification	PhD	4	16.7
	Associate Member	6	25.0
	Fellow	15	62.5
Role in the Firm	Member	3	12.5
	Partner	23	95.8
	Principal Partner	1	4.2

Source: Author's Field Survey, 2024

The Table 4.2 provides a demographic and professional profile of the respondents, revealing a predominantly male group with 87.5% male and 12.5% female participants. This suggests that there are more males in the practicing of auctioneering in the study area than their female

counterparts. Also, the majority of the respondents are aged 35 years and above (95.8%), with only 4.2% in the 30-34 age bracket. In terms of educational qualifications, 45.8% hold an MSc/MTech, followed by HND (20.8%), BSc/Btech (16.7%), and PhD (16.7%). Most respondents are professionally qualified as Fellows (62.5%), with Associate Members (25.0%) and Members (12.5%) also represented. Nearly all respondents hold senior roles within their firms, with 95.8% as Partners and 4.2% as Principal Partners.

4.2.2 Profile of Auction Firms

The analysis provided in this section presents a comprehensive overview of various profiles of auction firms, including their year of establishment, size, number of employees, number of branches, and affiliation with CIAN. This profile can provide valuable insights for understanding the dynamics of the auction industry and guiding strategic decisions for stakeholders. Below is a breakdown of the variables and their explanations.

Table 4.3: Profile of Auction Firms

		N	%
Year of Establishment of Firm	<5	1	4.2
	>20	6	25.0
	11-15	5	20.8
	16-20	6	25.0
	6-10	6	25.0
Size of Firm	Large	1	4.2
	Medium	10	41.7
	Small	13	54.2
Number of Employees	>20	2	8.3

	1-10	16	66.7
	11-20	6	25.0
Number of Branches	1	13	56.5
	2	5	21.7
	3	4	17.4
	4	1	4.3
Is your firm affiliated with CIAN?	No	3	12.5
	Yes	21	87.5

Source: Author's Field Survey, 2024

Table 4.3 provides a profile of firms, indicating a diverse range of establishment years, with the majority (25%) established between 16-20 years ago and an equal proportion established more than 20 years, and 6-10 years ago. In terms of size, 54.2% of the firms are small, 41.7% are medium-sized, and only 4.2% are large. Most firms (66.7%) have 1-10 employees, while 25% have 11-20 employees, and 8.3% have more than 20 employees. Regarding branches, the majority (56.5%) have only one branch, 21.7% have two branches, 17.4% have three branches, and a small fraction (4.3%) has four branches. Lastly, a significant majority (87.5%) of the firms are affiliated with CIAN, while 12.5% are not.

4.2.3 Firms Specialisation of Auction Items

The data in this section provides valuable insights into the specialization and operational focus of auction firms in the study area. This data, combined with the previously analysed is inculcated to enhance our understanding of the auction industry's landscape in the study area. Below is the presentation of the information gotten with respect to what the auction firms specialises in.

Table 4.4: Types of items respondents' firm specialize in

	Always	Often	Sometimes	Never	Rarely
	N (%)	N (%)	N (%)	N (%)	N (%)
Real Estate	8(33.3)	3(12.5)	8(33.3)	0(0)	5(20.8)
Antiques	0(0)	2(8.3)	7(29.2)	10(41.7)	5(20.8)
Artwork	0(0)	2(8.3)	6(25)	9(37.5)	7(29.2)
Rare collectible	1(4.2)	1(4.2)	5(20.8)	7(29.2)	10(41.7)
Expensive wine	0(0)	2(8.3)	1(4.2)	15(62.5)	6(25)
Commodities	1(4.2)	3(12.5)	6(25)	8(33.3)	6(25)
Memorabilia	1(4.2)	2(8.3)	6(25)	11(45.8)	4(16.7)
Furniture and Electronics	4(16.7)	7(29.2)	11(45.8)	1(4.2)	1(4.2)
Vacation Packages	1(4.2)	1(4.2)	3(12.5)	17(70.8)	2(8.3)

Source: Author's Field Survey, 2024

Table 4.4 illustrates the types of items that respondents' firms specialize in, highlighting the frequency of engagement in various categories. Real estate is a common specialty, with 33.3% of firms always and sometimes dealing in it, and 12.5% often doing so. Antiques are rarely a primary focus, as 41.7% of firms never deal in them, and 29.2% only sometimes do. Artwork also sees limited engagement, with 37.5% of firms never and 29.2% rarely dealing in it. Rare collectibles are seldom a specialty, with 41.7% of firms rarely and 29.2% never involved. Expensive wine is infrequently handled, with 62.5% of firms never and 25% rarely dealing in it. Commodities see moderate involvement, with 25% of firms sometimes and 12.5% often specializing in them. Memorabilia is another less common specialty, with 45.8% never and 25% only sometimes dealing in it. Furniture and electronics are more commonly specialized in, with

45.8% sometimes and 29.2% often engaging in it. Vacation packages are rarely a focus, with 70.8% of firms never and 8.3% rarely dealing in them.

4.2.4 Number of auctions firm has undertaken in the past

Table 4.5: Auctions firm has undertaken in the past

		N	%
How many auctions has your	1-5	15	62.5%
firm undertaken in the past	6-10	4	16.7%
year?	11 and above	5	20.8%

Source: Author's Field Survey, 2024

Table 4.5 provide an overview of the number of auctions undertaken by firms in the past year. The majority of firms (62.5%) conducted between 1-5 auctions. A smaller proportion (20.8%) conducted 11 or more auctions, while 16.7% of firms held 6-10 auctions.

4.3 Auctioneering Procedure

This section outlines the typical procedures followed by auction firms, highlighting the critical steps involved in carrying out an auction. The consistency in these procedures underscores the standardization within the industry, ensuring smooth and effective auction processes.

Table 4.6: Typical procedures followed when carrying out any auction practice

	N	%
Preparation	24	100.0
Registration	24	100.0
Opening remarks	23	95.8

Items Presentation	23	95.8
Bidding	24	100.0
Closing the Sale	22	91.7
Settlement	23	95.8
Post Auction	23	95.8

Source: Author’s Field Survey, 2024

Table 4.6 outlines the standard procedures followed in auction practices, with each procedure's frequency of implementation indicated. All 24 respondents (100%) reported engaging in preparation, registration, and bidding during auctions. Opening remarks, item presentation, settlement, and post-auction activities were each conducted by 23 respondents (95.8%). Closing the sale was slightly less common, with 22 respondents (91.7%) including it in their process. This suggests a high level of consistency in the fundamental stages of auction practices among the respondents.

4.3.1 Alignment and Integration of Auctioneering Procedures in Bidding Outcomes

Table 4.7: Alignment and integration

		N	%
How do auctioneering procedures align with or deviate from the insights provided by valuation reports?	Always Deviates	1	4.2
	Often Deviates	1	4.2
	Sometimes Deviates	12	50.0
	Rarely Deviates	4	16.7
	Never Deviates	6	25.0
How does the integration of	Multiple Bidders Driving up	1	4.2

valuation reports influence bidding strategies and outcomes in real estate auctions?	Price		
	Sale at or above Reserve Price	19	79.2
	Sale Below Reserve Price	3	12.5
	Stalemate or No Sale	1	4.2

Source: Author’s Field Survey, 2024

Table 4.7 examines the alignment and integration of auctioneering procedures with valuation reports and their influence on bidding strategies and outcomes. The data indicates that auctioneering procedures "never deviate" from valuation reports in 25% of cases, while they "sometimes deviate" in 50% of cases. "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. This suggests that while deviations from valuation reports are common, the integration of these reports generally leads to favourable outcomes, often achieving or surpassing the reserve price.

4.4 Effect of Valuation Report on Auctioneering Practice

The Table 4.8 provided below outlines the frequency with which valuation reports impact various aspects of auctioneering practices, categorized by the responses "Always," "Often," "Sometimes," and "Rarely." The table illustrates the multifaceted utility of valuation reports in auctioneering practices, emphasizing their importance in setting reserve prices, marketing, building credibility, ensuring transparency, aiding negotiations, and maintaining legal

compliance. The high frequency of use in these areas highlights the critical role these reports play in the successful execution of auctioneering activities. Below is the breakdown and analysis.

Table 4.8: Effect of Valuation Report on Auctioneering Practice

	Always	Often	Sometimes	Rarely
	N (%)	N (%)	N (%)	N (%)
Setting Reserve Price	7 (29.2)	7 (29.2)	8 (33.3)	2 (8.3)
Marketing and Promotion	9 (37.5)	4 (16.7)	8 (33.3)	3 (12.5)
Building Credibility	12 (50)	2 (8.3)	7 (29.2)	3 (12.5)
Transparency and Trust	13 (54.2)	1 (4.2)	8 (33.3)	2 (8.3)
Negotiation tool	7 (29.2)	5 (20.8)	7 (29.2)	5 (20.8)
Legal Compliance	9 (37.5)	8 (33.3)	3 (12.5)	4 (16.7)

Source: Author's Field Survey, 2024

Table 4.8 above reveals that a combined total of 58.4% indicates that more than half of the respondents frequently use valuation reports to set reserve prices. Also, a significant portion of the respondents (33.3%) also sometimes uses these reports for setting reserve prices, while only a small fraction (8.3%) rarely considers valuation reports for this purpose. Furthermore, more than one-third of respondents (37.5%) always use valuation reports in their marketing and promotional efforts. Combined, 50% of respondents often or sometimes use these reports for marketing, while a minority rarely uses valuation reports for marketing purposes. On the aspect of building credibility, half of the respondents (50%) always use valuation reports to build credibility. 37.5% of respondents often or sometimes use these reports to enhance credibility, while a small percentage (12.5%) rarely uses them for this purpose. With respect to the aspect of

transparency and trust, more than half of the respondents (54.2%) always use valuation reports to ensure transparency and build trust, while a combined total of 37.5% sometimes or often use these reports for transparency and trust. A small portion (8.3%) rarely considers valuation reports for these reasons. Looking at the aspect of negotiation tool as well, 50% of respondents use valuation reports as a negotiation tool frequently. Another 29.2% use these reports sometimes for negotiation. An equal percentage rarely uses valuation reports as a negotiation tool. On the aspect of legal compliance, 70.8% of respondents frequently use valuation reports to ensure legal compliance, while a smaller portion (12.5%) indicated that they sometimes uses them for legal compliance. A closed look at the table further shows that a minority rarely uses valuation reports for legal compliance.

From the table, it can be inferred that valuation reports play a crucial role in various auctioneering practices, with the majority of respondents frequently relying on them for several key aspects. The highest percentages in the "Always" category are observed for transparency and trust (54.2%) and building credibility (50%), signifying the importance of valuation reports in establishing trust and credibility in auctioneering. Legal compliance also shows a high combined frequency of use (70.8% always or often), highlighting its significance in maintaining lawful practices. The data suggests a strong reliance on valuation reports to set reserve prices, which helps ensure that auctioneers set realistic and informed minimum acceptable prices. Also, valuation reports are a valuable asset in marketing, helping to substantiate the worth of items and attract potential buyers. The high percentages indicate that valuation reports are essential tools for building trust and credibility, which are critical for successful auctioneering. While not as heavily relied upon as other aspects, valuation reports still play a significant role in negotiations, providing a factual basis for discussions. The frequent use of valuation reports to ensure legal

compliance underscores their importance in adhering to regulatory standards and avoiding legal issues.

4.5 Factors That Influences Valuation Report in Auctioneering Practice

Table 4.9: Factors influencing valuation reports in auctioneering practice in the study area

	Always	Often	Sometimes	Rarely	Never	Mean ± SD
Location	10 (41.7)	6 (25)	8 (33.3)	0 (0)	0 (0)	4.1 ± 0.88
Market condition	8 (33.3)	7 (29.2)	8 (33.3)	1 (4.2)	0 (0)	3.9 ± 0.93
Property Type and Condition	9 (37.5)	6 (25)	7 (29.2)	1 (4.2)	1 (4.2)	3.9 ± 1.12
Marketing and Promotion	10 (41.7)	4 (16.7)	8 (33.3)	2 (8.3)	0 (0)	3.9 ± 1.06
Legal and Regulatory Factors	7 (29.2)	5 (20.8)	11 (45.8)	1 (4.2)	0 (0)	3.8 ± 0.94
Economic indicators	7 (29.2)	8 (33.3)	6 (25)	2 (8.3)	1 (4.2)	3.8 ± 1.11
Comparable sales	5 (20.8)	10 (41.7)	6 (25)	3 (12.5)	0 (0)	3.7 ± 0.95
Currency Fluctuations	7 (29.2)	8 (33.3)	4 (16.7)	4 (16.7)	1 (4.2)	3.7 ± 1.20
Sellers Motivation	5 (20.8)	5 (20.8)	13 (54.2)	1 (4.2)	0 (0)	3.6 ± 0.88
Buyer Interest and Motivation	6 (25)	4 (16.7)	13 (54.2)	1 (4.2)	0 (0)	3.6 ± 0.92

Source: Author's Field Survey, 2024

Table 4.9 presents the frequency and impact of various factors considered by auctioneering firms in real estate-related decisions. 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. These factors are evidently pivotal in shaping strategies and outcomes within the real estate sector. Conversely, Buyer Interest and Motivation, and Sellers Motivation are less frequently cited as primary influences, each with a mean score of 3.6. Economic indicators and Currency Fluctuations are moderately important, with mean scores of 3.8 and 3.7 respectively, reflecting their relevance but not as critical as the top factors. Legal and Regulatory Factors, Comparable Sales, and Currency Fluctuations also demonstrate notable impacts, with mean scores ranging from 3.7 to 3.8. The variability in the standard deviations indicates differing levels of consensus among respondents about the importance of these factors, suggesting a nuanced and complex landscape where multiple elements interact to influence real estate decisions.

4.6 Estate Surveyors and Valuers that Practices Auction

4.5.1 Profile of estate Surveyors and Valuers

Table 4.10: Profile of Estate Surveyors and Valuers in Auction Practice

		N	%
Gender of Respondent	Female	13	38.2
	Male	21	61.8
Age	30-34	1	2.9
	35 years above	33	97.1
Highest Educational Qualification	BSc/BTech	5	14.7
	HND	9	26.5
	MSc/MTech	16	47.1

	PhD	4	11.8
Professional Qualification	Associate Member	19	55.9
	Fellow	15	44.1
Role in the Firm	Branch Manager	2	5.9
	Estate Surveyor	7	20.6
	Principal Partner / Partner	25	73.5
Years of experience as an estate surveyor and valuer	>15 years	24	70.6
	1-5 years	1	2.9
	11-15 years	4	11.8
	6-10 years	5	14.7
Are you a registered member of CIAN?	No	15	44.1
	Yes	19	55.9
How long have you been practicing Auctioneering?	1-5 years	22	64.7
	6-10 years	7	20.6
	>15 years	5	14.7
How many auctions have you undertaken in the past one year?	1-5	30	88.2
	6-10	2	5.9

Source: Author's Field Survey, 2024

Table 4.10 above shows the profile of estate surveyors and valuers that are into auction practices in the study area. The result showed that 21 (61.8%) of the respondents were male while 13 (38.2%) were female. In addition, 33 (97.1%), were 35 years and above, while 1 (2.9%) were between 30 and 34. In terms of educational qualifications, 16 (47.1%) of the respondents held an MSc/MTech, while 9 (26.5%) had an HND, 5 (14.7%) had a BSc/BTech, and 4 (11.8%) held a PhD. Also, for professional qualifications, 19 (55.9%) were Associate Members, and 15 (44.1%) were Fellows. In the aspect of roles in the firm, 25 (73.5%) were Principal Partners or Partners, 7 (20.6%) were Estate Surveyors, and 2 (5.9%) were Branch Managers (Figure 4.2). Also, the Table 4.8 shows that a significant majority (70.6%) of these professionals have over 15 years of experience, indicating a high level of expertise. Most are registered members of CIAN (55.9%), ensuring adherence to industry standards. While 64.7% have been practicing auctioneering for only 1-5 years, suggesting a recent increase in auctioneering activities among experienced valuers, the majority (88.2%) have conducted 1-5 auctions in the past year, indicating a relatively low frequency of auction events.

4.7 Most Appropriate Market Valuation Techniques Used for Auctions

Market valuation is crucial in auctions as it determines the starting price, influences bidding behaviour, and ultimately impacts the final selling price. Various techniques can be used for market valuation, each suitable for different types of assets and market conditions. The respondents' estate surveyors were asked about the most appropriate market valuation techniques used for auctions and their responses were analysed in Table 4.11 below.

Table 4.11: Appropriate Market Valuation Techniques Used for Auctions

Questions		N	%
Which market valuation techniques are you most familiar with?	Comparative Market Analysis (CMA)	29	85.3
	Income Capitalization Approach	16	47.1
	Cost Approach	18	52.9
	Hedonic Pricing Model	5	14.7
	Automated Valuation Models (AVMs)	5	14.7
	Discounted Cash Flow (DCF) Analysis	15	44.1
In your experience, how often are formal valuation techniques used to determine the reserve price for assets sold at public auctions in Lagos?	Often	17	50.0
	Rarely	7	20.6
	Very Often	10	29.4
What is the most appropriate market valuation techniques used for auctions by valuers in Lagos public auctions?	Cost approach	6	17.6
	Investment Method	4	11.8
	Market comparison approach	24	70.6

Source: Author's Field Survey, 2024

Regarding valuation techniques, 85.3% are familiar with Comparative Market Analysis (CMA), making it the most widely known method. Other techniques such as the Cost Approach (52.9%), Income Capitalization Approach (47.1%), and Discounted Cash Flow Analysis (44.1%) are also commonly used. Formal valuation techniques are employed often or very often by 79.4% of respondents to determine reserve prices, underscoring their importance in auction settings. The

Market Comparison Approach is deemed the most appropriate for auctions by 70.6% of valuers, highlighting its reliability and acceptance in the industry.

4.8 Factors That Determines the Appropriateness of Valuation Technique for Auction

The Table 4.12 below presents various factors that influence the appropriateness of valuation techniques in auction practices. Each factor is evaluated based on its frequency of consideration using the categories "Always," "Never," "Often," "Rarely," and "Sometimes." Additionally, the table provides the mean and standard deviation (SD) for each factor, indicating the central tendency and variability in responses.

Table 4.12: Factors that Determine the Appropriateness of Valuation Technique for Auction

Variables	Always	Never	Often	Rarely	Sometimes	Mean \pm SD
	N (%)	N (%)	N (%)	N (%)	N (%)	
Condition of the asset	10 (29.4)	1 (2.9)	9 (26.5)	3 (8.8)	11 (32.4)	3.71 \pm 1.088
Asset type	9 (26.5)	1 (2.9)	9 (26.5)	4 (11.8)	11 (32.4)	3.62 \pm 1.101
Purpose of the Valuation	9 (26.5)	1 (2.9)	7 (20.6)	5 (14.7)	12 (35.3)	3.53 \pm 1.134
Regulation and standards	9 (26.5)	2 (5.9)	7 (20.6)	4 (11.8)	12 (35.3)	3.5 \pm 1.187
Availability of comparable sales	7 (20.6)	1 (2.9)	9 (26.5)	5 (14.7)	12 (35.3)	3.47 \pm 1.08
Time constraints	7 (20.6)	1 (2.9)	6 (17.6)	6 (17.6)	14 (41.2)	3.35 \pm 1.098
Buyer pool	7 (20.6)	2 (5.9)	7 (20.6)	5 (14.7)	13 (38.2)	3.35 \pm

						1.152
Scarcity or uniqueness	6 (17.6)	1 (2.9)	7 (20.6)	7 (20.6)	13 (38.2)	3.29 ± 1.088
Reserve price	9 (26.5)	4 (11.8)	4 (11.8)	4 (11.8)	13 (38.2)	3.29 ± 1.315
Market depth and activity	4 (11.8)	3 (8.8)	10 (29.4)	3 (8.8)	14 (41.2)	3.26 ± 1.082
Liquidity of the asset	6 (17.6)	3 (8.8)	5 (14.7)	6 (17.6)	14 (41.2)	3.15 ± 1.184

Source: Author's Field Survey, 2024

Table 4.12 and figure 3 (appendix) shows the importance of various factors that determine the appropriateness of valuation technique for auction. The highest mean scores indicate that the condition of the asset (3.71) and the asset type (3.62) are the most critical factors. These factors are critical in valuation. The physical state and specific characteristics of an asset significantly impact its market value. Auctioneers must thoroughly evaluate these aspects to ensure accurate valuations. Other key considerations include the purpose of the valuation (3.53) and compliance with regulations and standards (3.50), indicating that the intended use and legal guidelines are also crucial in determining an asset's value. Availability of comparable sales (3.47), time constraints (3.35), and the buyer pool (3.35) follow, highlighting the importance of market data, urgency, and potential buyers. Scarcity or uniqueness (3.29) and reserve price (3.29) are moderately important, emphasizing that unique features and minimum acceptable prices matter. Market depth and activity (3.26) and liquidity (3.15) are the least important among the factors

but still hold relevance in the valuation process. Overall, intrinsic characteristics and contextual factors play significant roles in asset valuation for public auctions.

Overall, the table divulges the complexity of selecting suitable valuation techniques for auctions. Each factor's importance and variability indicate the need for a multifaceted approach in valuation practices. Auctioneers must consider asset-specific characteristics, market conditions, regulatory requirements, and the specific purpose of the valuation to ensure accuracy and relevance. By understanding and prioritizing these factors, auctioneers can improve the reliability of their valuations, leading to more successful auction outcomes and higher client satisfaction. The insights gained from this analysis can guide auctioneers in refining their valuation practices, enhancing both the credibility and effectiveness of their services.

4.9 The Effect of the Valuation Report on the Auctioneering Practice

Understanding the effect of the valuation report on auctioneering practice is crucial in the auction industry, particularly in dynamic markets like Lagos. Precise market valuations can significantly influence the final selling prices of assets, impacting both sellers and buyers.

Table 4.13: Effect of Valuation Report on Auctioneering Practice

		N	%
How often do you incorporate analysis of economic and market trends into your valuation reports?	Always	17	50.0
	Often	10	29.4
	Sometimes	3	8.8
	Rarely	2	5.9
	Never	2	5.9

In your experience, how significant are economic and market trends in influencing the final value of an asset?	Significant	9	26.5
	Very insignificant	1	2.9
	Very significant	24	70.6
How important is it to you that market values are precise during open auction sales?	Important	17	50.0
	Neutral	1	2.9
	Unimportant	1	2.9
	Very important	15	44.1
In your experience, how often are market values accurately reflected in open auction sales in Lagos?	Always	9	26.5
	Rarely	5	14.7
	Sometimes	20	58.8
How do precise market values affect the final sale price in open auctions?	No effect	9	26.5
	Significantly decrease the final price	1	2.9
	Significantly increase the final price	9	26.5
	Slightly decrease the final price	4	11.8
	Slightly increase the final price	11	32.4
Do precise market values tend to attract more bidders to auctions?	Agree	14	41.2
	Disagree	6	17.6
	Neutral	9	26.5
	Strongly Agree	4	11.8

	Strongly Disagree	1	2.9
In your opinion, do precise market values contribute to a fairer bidding process?	Agree	17	50.0
	Disagree	3	8.8
	Neutral	5	14.7
	Strongly Agree	8	23.5
	Strongly Disagree	1	2.9
Do you think buyers are satisfied with the accuracy of market values provided at auctions?	Dissatisfied	5	14.7
	Neutral	10	29.4
	Satisfied	14	41.2
	Very satisfied	5	14.7
Do you think sellers are satisfied with the outcomes of auctions when market values are precise?	Dissatisfied	3	8.8
	Neutral	7	20.6
	Satisfied	17	50.0
	Very satisfied	7	20.6
Do you believe that precise market values reduce the risk for buyers in open auctions?	Agree	19	55.9
	Disagree	4	11.8
	Neutral	7	20.6
	Strongly Agree	3	8.8
	Strongly Disagree	1	2.9
Do you think that precise	Agree	19	55.9

market values increase the confidence of sellers in open auctions?	Disagree	4	11.8
	Neutral	2	5.9
	Strongly Agree	8	23.5
	Strongly Disagree	1	2.9
How do precise market values affect the trust between buyers and sellers in the auction process?	No effect	4	11.8
	Significantly increase trust	12	35.3
	Slightly decrease trust	4	11.8
	Slightly increase trust	14	41.2

Source: Author's Field Survey, 2024

Table 4.13 provides insights into the perceptions of estate surveyors and valuers on the importance and impact of precise market values in the context of public auctions. Firstly, a significant majority 50% and 29.4% respectively says they always and often do incorporate analysis of economic and market trends into their valuation reports for auction purposes. Also, a significant majority (70.6%) consider economic and market trends to be very significant in influencing the final value of an asset. Precise market values are deemed very important (44.1%) or important (50.0%) by most respondents during open auction sales, underscoring the value placed on accuracy. However, market values are only sometimes accurately reflected in open auctions (58.8%), indicating room for improvement. Precise market values are believed to slightly increase the final sale price (32.4%) and attract more bidders, with 41.2% agreeing and 11.8% strongly agreeing. These values also contribute to a fairer bidding process, with 50.0% agreeing and 23.5% strongly agreeing. Satisfaction with the accuracy of market values is relatively high among both buyers (41.2% satisfied) and sellers (50.0% satisfied). Precise market

values are perceived to reduce buyer risk (55.9% agree) and increase seller confidence (55.9% agree). They also significantly increase trust between buyers and sellers (35.3%), although a notable portion (41.2%) believes they only slightly increase trust.

4.10 Benefits and Challenges

Table 4.14: Benefits and challenges of precise market values on the Final Selling Price of Assets in Lagos Auctions

		N	%
Main benefits of having precise market values in open auctions	Increased transparency	25	73.5
	Higher bidder participation	13	38.2
	Better price realisation	20	58.8
	Improved buyer confidence	17	50.0
	Enhanced seller satisfaction	15	44.1
Main challenges or drawbacks of striving for precise market values in open auctions	Time-consuming valuations	18	52.9
	Increased costs	15	44.1
	Potential for market manipulation	10	29.4
How can the accuracy of market values be improved in Lagos open auctions?	Difficulty in obtaining accurate data	20	58.8
	Advanced valuation technologies	3	8.8
	Better data collection methods	15	44.1
	Collaboration among valuers	5	14.7
	Regular market analysis	11	32.4

Source: Author's Field Survey, 2024

Table 4.14 highlights the perceived benefits and challenges of having precise market values in open auctions, as well as suggestions for improving accuracy in Lagos auctions. The main benefits (Figure 4 appendix) included increased transparency (73.5%), better price realization (58.8%), improved buyer confidence (50.0%), enhanced seller satisfaction (44.1%), and higher

bidder participation (38.2%). This underscores the importance of accuracy in promoting trust and engagement from both buyers and sellers.

On the other hand, the challenges (Figure 5, appendix) include time-consuming valuations (52.9%), increased costs (44.1%), difficulty in obtaining accurate data (58.8%), and potential for market manipulation (29.4%). These challenges highlight the practical difficulties and risks involved in striving for precise valuations. To improve accuracy, respondents suggest better data collection methods (44.1%), regular market analysis (32.4%), collaboration among valuers (14.7%), and advanced valuation technologies (8.8%). These recommendations reflect a need for better resources and cooperation to enhance valuation practices.

4.11 Discussion of Findings

Looking at the profiles of the auction firms that were surveyed for the study, it can be seen that the majority (25%) established between 16-20 years ago and an equal proportion established more than 20 years, and 6-10 years ago. This simply suggests that a considerable number of firms have substantial experience, which could influence their operational efficiency and market credibility. In terms of size, with 54.2% of firms classified as small, the majority of auction firms operate on a smaller scale. This might impact their resource allocation, market reach, and ability to handle large volumes of auctions. The presence of medium-sized firms (41.7%) indicates a balanced mix, potentially offering diverse insights into different operational strategies within the industry. Also, the majority of firms (66.7%) have between 1 to 10 employees, indicating a lean operational model. This could reflect on their ability to maintain lower operational costs but might also suggest potential challenges in managing larger auction events or expanding their services. Furthermore, more than half of the firms (56.5%) have a single branch, which indicates

a localized focus. Firms with multiple branches (43.5%) may have a broader geographical reach, affecting their market presence and customer base. This could be a factor in understanding market penetration and the scalability of auction firms. Also, a significant majority (87.5%) of the firms are affiliated with CIAN. This affiliation could provide firms with access to industry standards, best practices, and networking opportunities, potentially enhancing their operational effectiveness and credibility in the market.

On the type of auctions the firms specialises in, the data shows that auction firms specialize in a diverse range of items, with a significant focus on real estate, furniture, and electronics. This diversity indicates the flexibility and adaptability of auction firms to cater to various market demands. Although from the information gotten, a substantial proportion of firms (33.3% Always and Sometimes) specialize in real estate auctions. This highlights the importance of the real estate sector within the auction industry, suggesting that firms may need to develop specialised skills and knowledge in this area to remain competitive. This is why study by [1] advocated for the need for professionals exclusively known as auctioneers to handle auction processes. Items like antiques, artwork, and rare collectibles have a varied level of specialization, with a notable percentage of firms (29.2% Sometimes, 41.7% Never for antiques; 25% Sometimes, 37.5% Never for artwork) indicating that these items are niche markets. Firms focusing on these items may benefit from targeting specific buyer segments and developing expertise in valuation and authentication. The majority of firms do not specialise in expensive wines (62.5% Never) or vacation packages (70.8% Never). This suggests that these items might have lower demand or require specific knowledge and networks that many auction firms do not possess. Firms interested in these areas might need to invest in developing niche expertise and marketing strategies. The data indicates that firms might benefit from strategically focusing on a

mix of frequently auctioned items like real estate and furniture while selectively engaging in niche markets to diversify their offerings. This balanced approach can help firms maximize revenue opportunities while managing operational risks. Furthermore, the varying levels of specialisation across different item categories imply that auction firms need to be adaptable in their operations. Training and development programs for staff, along with robust market analysis, can help firms adjust to changing market demands and enhance their competitiveness.

With respect to the procedures followed for auctioneering, the uniformity in procedures such as preparation, registration, and bidding (all at 100%) indicates that auction firms in the study area adhere to standardized practices. This consistency is crucial for maintaining the integrity and reliability of the auction process, providing a predictable and professional experience for participants. Also, the high prevalence of procedures like opening remarks, item presentation, settlement, and post-auction activities (all above 90%) suggests a comprehensive framework that covers all aspects of the auction. This thorough approach ensures that all necessary steps are taken to facilitate successful transactions and address post-auction formalities. The adherence to structured procedures enhances the professionalism of auction firms, fostering trust among buyers and sellers. This trust is vital for the reputation and credibility of auction firms, potentially leading to higher client retention and attracting new customers. In addition, standardized procedures contribute to the efficiency and effectiveness of auction operations. With clear guidelines and steps, auction firms can streamline their processes, minimize errors, and handle auctions more smoothly. This operational efficiency can lead to increased productivity and better client satisfaction.

On how bidding auction practices is influenced by valuation outcomes, the result shows that auctioneering procedures rarely deviate from valuation reports, with 16.7% and 4.2% reporting

deviations. The majority of respondents (79.2%) reported sales at or above the reserve price, with a smaller proportion (12.5%) experiencing sales below the reserve price. Despite deviations, the integration of valuation reports generally leads to favourable outcomes. The study reveals further that 58.4% of respondents frequently use valuation reports to set reserve prices, with 33.3% using them occasionally. Additionally, 37.5% use them for marketing and promotional efforts, with 50% using them frequently. Valuation reports are also used to build credibility, with 50% using them to enhance it. Over half of respondents use them to ensure transparency and trust, while 37.5% use them to enhance it. Furthermore, 70% of respondents use valuation reports as a negotiation tool, with 50% using them frequently. Legal compliance is another key aspect, with 70.8% using them to ensure legal compliance. These findings highlight the importance of valuation reports in auctioneering practices, setting reserve prices, marketing, and ensuring legal compliance. A minority rarely uses them for legal compliance.

The study reveals that location, marketing, market condition, and property type significantly influence auctioneering firms' real estate decisions. The top factors are location, marketing, and promotion, while buyer interest and motivation and sellers' motivation are less important. Economic indicators and currency fluctuations are moderately important, while legal and regulatory factors, comparable sales, and currency fluctuations have notable impacts. The variability in standard deviations suggests a complex landscape where multiple elements interact to influence real estate decisions.

The valuation technique for auctions is influenced by various factors, including asset condition and type, purpose, compliance with regulations, availability of comparable sales, time constraints, buyer pool, scarcity or uniqueness, reserve price, market depth and activity, and liquidity. These factors significantly impact the market value of an asset, requiring thorough evaluation by

auctioneers. Intrinsic characteristics and contextual factors also play significant roles in asset valuation. The findings also shows that estate surveyors and valuers often incorporate economic and market trends into their valuation reports for auction purposes. Most respondents consider these trends to be very significant in influencing asset value. Precise market values are considered important during open auction sales, slightly increasing the final sale price and attracting more bidders. They also contribute to a fairer bidding process; reduce buyer risk, increase seller confidence, and increase trust between buyers and sellers.

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Endnote

1. C. O. Iroham, H. I. Okagbue, M. E. Emetere, T. O. Okonye, O. O. Temitope, N. J. Peter and O. D. Durodola, Auctioneering in the Practice of Estate Surveyors and Valuers. International Journal of Advanced Research in Engineering and Technology, 10(2), 2019, pp. 624-635.
<http://www.iaeme.com/IJARET/issues.asp?JType=IJARET&VType=10&IType=2>

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Chapter Five

Conclusion

5.1 Summary of Findings

The study surveyed auction firms, revealing that the majority have substantial experience and operate on a smaller scale, with a balanced mix of medium-sized and large-scale firms. The majority of firms have between 1 to 10 employees, indicating a lean operational model. Most firms have a single branch, while those with multiple branches may have a broader geographical reach. A significant majority are affiliated with CIAN, providing access to industry standards and networking opportunities. The data shows that auction firms specialize in a diverse range of items, with a significant focus on real estate, furniture, and electronics. This diversity indicates the flexibility and adaptability of auction firms to cater to various market demands. However, 33.3% of firms specialize in real estate auctions, suggesting the need for specialized skills and knowledge in this area.

The uniformity in auctioneering procedures, such as preparation, registration, and bidding, indicates that auction firms adhere to standardized practices, maintaining the integrity and reliability of the auction process. This consistency enhances professionalism, fosters trust among buyers and sellers, and contributes to operational efficiency. Valuation outcomes significantly influence auctioneering firms' real estate decisions, with location, marketing, market condition, and property type being the top factors. Economic indicators and currency fluctuations are moderately important, while legal and regulatory factors, comparable sales, and currency fluctuations have notable impacts.

Valuation techniques for auctions are influenced by various factors, including asset condition and type, purpose, compliance with regulations, availability of comparable sales, time constraints,

buyer pool, scarcity or uniqueness, reserve price, market depth and activity, and liquidity. Estate surveyors and valuers often incorporate economic and market trends into their valuation reports for auction purposes, considering these trends to be very significant in influencing asset value.

5.2 Conclusion

This study has examined effect of valuation on auctioneering practice in Lagos state. The study underscores the importance of experience, size, and industry affiliation in influencing auction firms' operational efficiency and market credibility. Specialization and adherence to standardized procedures enhance flexibility, professionalism, and trust. 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.

5.3 Recommendations

- (i) Utilize the substantial experience of firms established over 16 years to develop comprehensive training programs. Sharing best practices and lessons learned can improve the overall operational efficiency of less experienced firms.
- (ii) Create mentorship programs where experienced auctioneers guide and support newer firms, fostering knowledge transfer and industry growth.
- (iii) Firms should actively participate in CIAN activities to stay updated on industry standards, best practices, and networking opportunities. This can enhance their operational effectiveness and credibility.

(iv) Encourage continuous professional development for employees through CIAN's training and certification programs. This ensures that staff remains knowledgeable about the latest industry trends and practices.

(v) Integrate valuation reports into key auction processes, such as setting reserve prices, marketing, and promotional efforts. This enhances transparency, credibility, and legal compliance.

(vi) Use valuation reports to analyse and incorporate economic and market trends. This can help firms make informed decisions, attract more bidders, and achieve higher final sale prices.

5.4 Contribution to Knowledge

The study provides detailed insights into the profiles of auction firms, including their establishment periods, sizes, and operational scales. By highlighting that the majority of firms have substantial experience and operate on a smaller scale, this research sheds light on how experience and firm size influence operational efficiency and market credibility. This knowledge helps in understanding the landscape of auction firms and the factors contributing to their success. Also, the research underscores the critical role of valuation reports in auctioneering practices. These reports are integral in setting reserve prices, marketing efforts, building credibility, and ensuring transparency and legal compliance. By documenting how valuation reports influence auction outcomes, this study contributes valuable insights into how these reports can be effectively utilized to enhance auction practices, thereby providing a practical guide for auction firms.

5.5 Suggested areas for Further Research

This current study has examined effect of valuation on auctioneering practice in Lagos state. Further research could be initiated to investigate the different ways valuation reports are used by auction firms and their impact on marketing, negotiation, and legal compliance. Determine best practices for integrating valuation reports into auction strategies.

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Appendix A

Questionnaire (Auctioneer Firms in Lagos)

Dear Sir/Ma,

I am a postgraduate student in the Department of Estate Management, Lead City University, Ibadan. I am currently pursuing a postgraduate research study titled: **Effect of Valuation on Auctioneering Practice in Lagos State**. I hereby solicit your assistance in filling the spaces or ticking the appropriate options (as the case may be) in the questionnaire attached hereto. Your timely response to the questionnaire would determine the success of the study. Any information provided shall be treated with utmost confidentiality and used strictly for academic purpose.

Thank you.

Yours faithfully,

Ndali Bridget Oranye

SECTION A: Organization Profiles of Auction Firms in Lagos State

Profile of Respondent

1. Gender of Respondent (i) Male (ii) Female
2. Age (i) 20-24 (ii) 25-29 (iii) 30-34 (iv) 35years above
3. Highest Educational Qualification (i) HND (ii) BSc/BTech (iii) MSc/MTech (iv) PhD
4. Professional Qualification (i) Member (ii) Associate Member (iii) Fellow
5. Role in the Firm (i) Principal Partner (ii) Brach Manager (iii) Estate Surveyor

Firm's Profile

6. Year of Establishment of Firm (i) <5 (ii) 6-10 (iii) 11-15 (iv) 16-20 (v) >20
7. Years of Experience of Firm in the industry (i) <5 (ii) 6-10 (iii) 11-15 (iv) 16-20 (v) >20

8. Size of Firm (i) Small (ii) Medium (iii) Large

9. Number of Employees (i) 1-10 (ii) 11-20 (iii) >20

10. Number of Branches (i) 1 (ii) 2 (iii) 3 (iv) 4 (v) 5 (vi) Above 5

11. Is your firm affiliated with CIAN? (i) Yes (ii) No

12. What type of items does the firm Specializes in Auction? Kindly rank below!

Types if Auction Items		RII				
		Never	Rarely	Sometimes	Always	Often
		(1)	(2)	(3)	(4)	(5)
i	Real Estate					
ii	Antiques					
iii	Art work					
iv	Rare Collectibles					
v	Expensive wines					
vi	Commodities					
vii	Used Cars					
viii	Memorabilia					
ix	Furniture and Electronics					
x	Vacation packages					

13. How many auctions has your firm undertaken in the past one year? (i) 1-5 (ii) 6-10 (iii)

11 and above

SECTION B: Auctioneering Procedure

14. Which of the following are typical of the procedures that you follow when carrying out any auction practice? Please indicate by ticking appropriate box for each procedure.

Auctioneering Procedure	Yes	No
Preparation	<input type="checkbox"/>	<input type="checkbox"/>
Registration	<input type="checkbox"/>	<input type="checkbox"/>
Opening Remarks	<input type="checkbox"/>	<input type="checkbox"/>
Items Presentation	<input type="checkbox"/>	<input type="checkbox"/>
Bidding	<input type="checkbox"/>	<input type="checkbox"/>
Closing the sale	<input type="checkbox"/>	<input type="checkbox"/>
Settlement	<input type="checkbox"/>	<input type="checkbox"/>
Post-auction	<input type="checkbox"/>	<input type="checkbox"/>

15. How do auctioneering procedures align with or deviate from the insights provided by valuation reports?

[i] Never Deviates []

[ii] Rarely deviates []

[iii] Sometimes deviate []

[iv] Always deviate []

[v] Often deviate []

16. How does the integration of valuation reports influence bidding strategies and outcomes in real estate auctions?

[i] Sale at or above Reserve Price []

[ii] Sale Below Reserve Price []

[iii] Multiple Bidders Driving up Price []

[iv] Quick Sale with One Bidder []

[v] Stalemate or No Sale []

SECTION C: Effect of Valuation Report on Auctioneering Practice

17. How has valuation report affect auctioneering practice in Lagos state? Kindly rank the variables in the table below based on your perception and experience of auctioneering practice in the study area.

Effect		RII				
		Never	Rarely	Sometimes	Always	Often
		(1)	(2)	(3)	(4)	(5)
i	Setting Reserve Price					
ii	Marketing and Promotion					
iii	Building Credibility					
iv	Transparency and Trust					
v	Negotiation tool					

vi	Legal Compliance					
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SECTION D: Factors that influences valuation report in auctioneering practice in the study area.

18. Do the following factors influence valuation report in auctioneering practice in the study area?

Factors		RII				
		Never	Rarely	Sometimes	Always	Often
		(1)	(2)	(3)	(4)	(5)
i	Market condition					
ii	Location					
iii	Property type and Condition					
iv	Legal and Regulatory Factors					
v	Comparable sales					
vi	Sellers Motivation					
vii	Buyer Interest and Motivation					
viii	Economic indicators					
ix	Currency					

	Fluctuations					
x	Marketing and Promotion					

Thank you!

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Questionnaire (Estate Surveyors and Valuers)

Dear Sir/Ma,

I am a postgraduate student in the Department of Estate Management, Lead City University, Ibadan. I am currently pursuing a postgraduate research study titled: **Effect of Valuation on Auctioneering Practice in Lagos State**. I hereby solicit your assistance in filling the spaces or ticking the appropriate options (as the case may be) in the questionnaire attached hereto. Your timely response to the questionnaire would determine the success of the study. Any information provided shall be treated with utmost confidentiality and used strictly for academic purpose.

Thank you.

Yours faithfully,

Ndali Bridget Oranye

SECTION A: Profiles of Estate Surveyors and Valuers in Auction Practices

1. Gender of Respondent (i) Male (ii) Female
2. Age (i) 20-24 (ii) 25-29 (iii) 30-34 (iv) 35years above
3. Highest Educational Qualification (i) HND (ii) BSc/BTech (iii) MSc/MTech (iv) PhD
4. Professional Qualification (i) Member (ii) Associate Member (iii) Fellow
5. Role in the Firm (i) Principal Partner (ii) Branch Manager (iii) Estate Surveyor
6. Years of experience as an estate surveyor and valuer. (i) 1-5 years (ii) 6-10 years (iii) 11-15 years (iv) > 15 years
7. Are you a registered member of CIAN? (i) Yes (ii) No
8. How long have you been practicing Auctioneering? (i) 1-5 years (ii) 6-10 years (iii) 11-15 years (iv) > 15 years
9. How many auctions have you undertaken in the past one year? (i) 1-5 (ii) 6-10 (iii) 11 and above

SECTION B: MOST APPROPRIATE MARKET VALUATION TECHNIQUES USED FOR AUCTIONS

10. Which market valuation techniques are you most familiar with? (Select all that apply)

- (i) Comparative Market Analysis (CMA) []
- (ii) Income Capitalization Approach []
- (iii) Cost Approach []
- (iv) Hedonic Pricing Model []
- (v) Automated Valuation Models (AVMs) []
- (vi) Discounted Cash Flow (DCF) Analysis []
- (vii) Other (Please specify).....

11. In your experience, how often are formal valuation techniques used to determine the reserve price for assets sold at public auctions in Lagos?

- (iii) Very Often []
- (ii) Often []
- (i) Rarely []

12. What is the most appropriate market valuation techniques used for auctions by valuers in Lagos public auctions?

- (i) Market comparison approach []
- (ii) Investment Method []
- (iii) Cost approach []

13. When valuing assets for public auction, what factors do you consider most important in determining the most appropriate valuation technique?

Factors		RII				
		Never	Rarely	Sometimes	Always	Often
		(1)	(2)	(3)	(4)	(5)
i	Liquidity of					

	the asset					
ii	Availability of comparable sales					
iii	Market depth and activity					
iv	Asset type					
v	Condition of the asset					
vi	Scarcity or uniqueness					
vii	Reserve price					
viii	Time constraints					
ix	Buyer pool					
x	Purpose of the Valuation					
xi	Regulation and standards					

14. How often do you incorporate analysis of economic and market trends into your valuation reports?

(v) Always []

(iv) Often []

(iii) Sometimes []

(ii) Rarely []

(i) Never []

15. In your experience, how significant are economic and market trends in influencing the final value of an asset?

- (v) Very significant []
- (iv) Significant []
- (iii) Neutral []
- (ii) Insignificant []
- (i) Very insignificant []

SECTION C: THE EFFECT OF THE VALUATION REPORT ON THE AUCTIONEERING PRACTICE

16. How important is it to you that market values are precise during open auction sales?

- (v) Very important []
- (iv) Important []
- (iii) Neutral []
- (ii) Unimportant []
- (i) Very unimportant []

17. In your experience, how often are market values accurately reflected in open auction sales in Lagos?

- (v) Always []
- (iv) Often []
- (iii) Sometimes []
- (ii) Rarely []
- (i) Never []

18. How do precise market values affect the final sale price in open auctions?

- (i) Significantly increase the final price []
- (ii) Slightly increase the final price []
- (iii) No effect []
- (iv) Slightly decrease the final price []
- (v) Significantly decrease the final price []

19. Do precise market values tend to attract more bidders to auctions?

- (v) Strongly agree []
- (iv) Agree []
- (iii) Neutral []
- (ii) Disagree []
- (i) Strongly disagree []

20. In your opinion, do precise market values contribute to a fairer bidding process?

- (v) Strongly agree []
- (iv) Agree []
- (iii) Neutral []
- (ii) Disagree []
- (i) Strongly disagree []

21. Do you think buyers are satisfied with the accuracy of market values provided at auctions?

- (v) Very satisfied []
- (iv) Satisfied []
- (iii) Neutral []
- (ii) Dissatisfied []
- (i) Very dissatisfied []

22. Do you think sellers are satisfied with the outcomes of auctions when market values are precise?

- (v) Very satisfied []
- (iv) Satisfied []
- (iii) Neutral []
- (ii) Dissatisfied []
- (i) Very dissatisfied []

23. Do you believe that precise market values reduce the risk for buyers in open auctions?

- (v) Strongly agree []
- (iv) Agree []
- (iii) Neutral []
- (ii) Disagree []
- (i) Strongly disagree []

24. Do you think that precise market values increase the confidence of sellers in open auctions?

- (v) Strongly agree []
- (iv) Agree []
- (iii) Neutral []
- (ii) Disagree []
- (i) Strongly disagree []

25. How do precise market values affect the trust between buyers and sellers in the auction process?

- (i) Significantly increase trust []
- (ii) Slightly increase trust []
- (iii) No effect []
- (iv) Slightly decrease trust []
- (v) Significantly decrease trust []

26. What are the main benefits of having precise market values in open auctions? (Select all that apply)

- (i) Increased transparency []
- (ii) Higher bidder participation []
- (iii) Better price realization []
- (iv) Improved buyer confidence []
- (v) Enhanced seller satisfaction []
- (v) Other (Please specify)-----

27. What are the main challenges or drawbacks of striving for precise market values in open auctions? (Select all that apply)

- (i) Time-consuming valuations []
- (ii) Increased costs []
- (iii) Potential for market manipulation []
- (iv) Difficulty in obtaining accurate data []
- (v) Other (Please specify) []

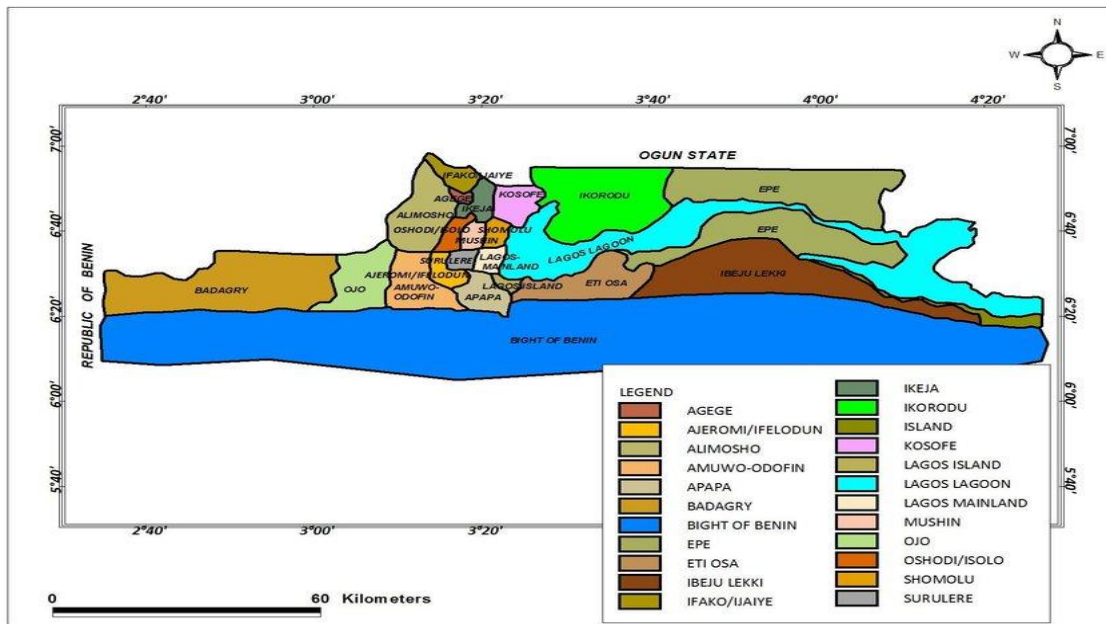
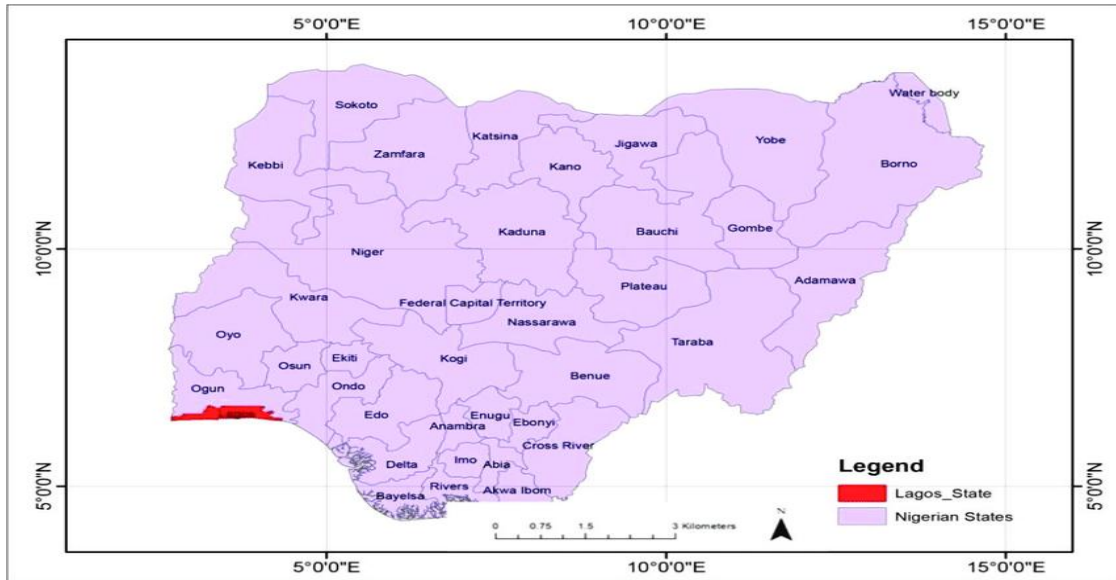
28. How can the accuracy of market values be improved in Lagos open auctions?

- (i) Better data collection methods []
- (ii) Advanced valuation technologies []
- (iii) Regular market analysis []
- (iv) Collaboration among valuers []
- (v) Other (Please specify) -----

Thank you!

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Appendix C



Maps of the study area



Figure 1: Bar chart showing the number of auction firms undertaken in the past year

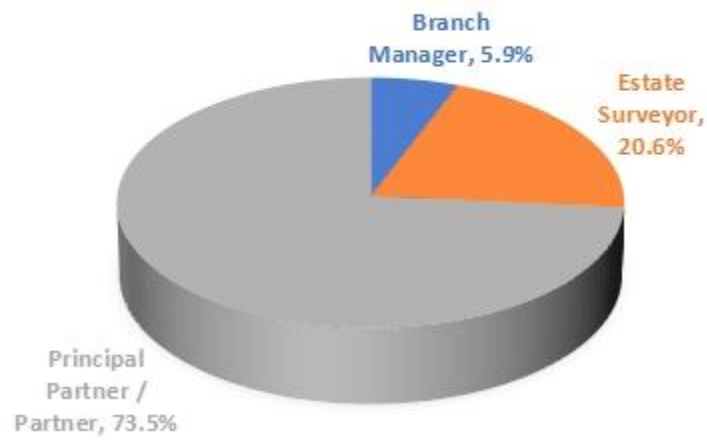


Figure 2: Pie chart showing distribution of respondents' role in the firm



Figure 3: Factors that Determine the Appropriateness of Valuation Technique for Auction



Figure 4: Bar Chart showing the main benefits of having precise market values in auctions



Figure 5: Bar Chart showing the main challenges/drawbacks of having precise market values in auctions

Lead City University

Bio-data

Bio-data

A. Personal Data

Full Name: Oranye Bridget Ndali
Address: 10 Mojidi Street, Ikeja
E-mail: Lagos
ndalioranye@yahoo.com
Phone Number: +2348033027802
Date and Place of Birth: 5/03/1968, (Port Harcourt) Rivers State
Nationality/State of Origin: Nigerian/Anambra State
Marital Status: Married
Name and Address of Next of Kin:
Name: Mr Chuba Oranye
Address: Suit 4, Zuma Complex, 202 Road, Festac Town, Lagos, Nigeria

B. Educational Background

Educational Institutions Attended With Dates:

(i) Primary Education:

St. Ann Maria Primary School, Aba, Abia State 1974 - 1977
Ekulu Primary School, Enugu, Enugu State 1978 - 1979

First School Leaving Certificate

(ii) Secondary Education:

Queens College, Enugu, Enugu State 1980 - 1981

Federal Government Girls College, Gbok, Benue State 1981 - 1985
Federal School of Arts and Science, Lagos State 1985 - 1986

Secondary School Certificate Examination (SSCE)

(iii) Higher Education:

Federal Polytechnic Bauchi, Bauchi State 1986 - 1988

OND Estate Management

Federal Polytechnic Bauchi 1989 - 1991

HND Estate Management

Lagos State University, Ojo, Lagos State 2008 - 2009

PGD Business Administration

Lead City University, Ibadan, Nigeria

PGD Real Estate Marketing and Auctioneering In View

C. Work Experience

Mark Odu & CO: 1992 to date

Okitipupa Local Government, Ondo State (NYSC): 1991/1992

John Holt PLC and Knight Frank and Routley (1 Year Industrial Training): 1988/1989

D. Extra Curricular Activities: Reading

E. Others: Nil

F. Names and Addresses of Referees

(i) ESV Francis Okpaleke
FNIVS Mark Odu & CO

10 Mojidi Street, Ikeja, Lagos

(ii) ESV John
Osagie University of
Lagos

Estate Management Department Faculty
of Environmental Science

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The University Compliance Certification

This is to certify that, this Thesis was written by ORANYE Bridget Ndali with Matriculation number LCU/PG/005016 in the Department of Estate Management, Faculty of Environmental Design & Management, Lead City University, Ibadan Oyo State in full compliance with the approved University format and style.

Signature

Date

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