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PROPERTY VALUATION PRACTICES AMONG ESTATE SURVEYING AND VALUATION FIRMS IN ENUGU METROPOLIS

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Abstract

This study examines property valuation practices among Estate Surveying and Valuation firms in Enugu Metropolis, Nigeria. Data were obtained through structured questionnaires administered to forty registered firms, all of which were retrieved and analysed using descriptive statistics. The results show that valuation practice in Enugu is dominated by traditional methods such as the Depreciated Replacement Cost, Investment/Income Capitalisation, and Direct Market Comparison methods, while the use of modern approaches like the Discounted Cash Flow analysis is minimal. Most firms rely on intuition rather than empirical data in determining yields and outgoings, with percentage deductions from gross rent commonly applied. Although all firms comply with the standard deduction of outgoings from gross rent, inconsistencies remain in the components included. The study concludes that valuation practice in Enugu is largely experience-driven and lacks analytical depth. It recommends enhanced access to market data, continuous professional training, and adoption of modern valuation techniques to improve accuracy and consistency.

Keywords: Property valuation; Estate surveying practice; Valuation methods; Real estate market; Enugu metropolis

Introduction

Property valuation is a fundamental component of real estate practice and plays a critical role in the efficient functioning of modern economies. It provides the basis for decision-making in transactions, investment, mortgage financing, taxation, insurance, compensation, and financial reporting (Crosby et al., 2019; Ogunba and Ajayi, 2007). According to the International Valuation Standards Committee (2003), valuation involves estimating the amount for which a property should exchange between a willing buyer and seller in an arm's-length transaction after proper marketing, wherein both parties act knowledgeably, prudently, and without compulsion. Valuation is both an art and a science: a science because it relies on systematic processes, empirical data, and established methodologies; and an art because it depends on the valuer's judgment, experience, and understanding of local market conditions (Aluko, 2007; Ogunba, 2013).

Various methods are applied in the valuation of real property depending on the purpose, type of property, and availability of market data. The commonly recognised methods include the investment method, direct market comparison method, profit or accounts method, residual method, and depreciated replacement cost method (Ogunba, 2013; Shapiro et al., 2019; Udechukwu, 2009). The choice of method is influenced by factors such as property use, data availability, and the valuer's familiarity with the market (Kalu, 2013; Udechukwu, 2009). However, in practice, valuation approaches often diverge from theoretical principles and professional standards, particularly in developing property markets. For instance, while the investment method is theoretically preferred for income-generating properties, Nigerian valuers frequently apply the depreciated replacement cost method even for mortgage valuations. Similarly, all-risk yields are sometimes derived through subjective judgment rather than market evidence analysis (Ogunba, 2013; Babawale and Omirin, 2011).

Several factors contribute to the inconsistency and inaccuracy of valuation practice in Nigeria. These include inadequate market data, weak regulatory enforcement, limited access to analytical tools, and overreliance on intuition (Adegoke et al., 2013; Babawale and Omirin, 2011). Such practices undermine valuation reliability, often resulting in significant variations in value opinions for similar properties and eroding clients' confidence in professional valuers. Faulty valuations have also been implicated in financial disputes and, in some cases, broader real estate and economic downturns.

In Nigeria, the valuation profession is regulated by the Nigerian Institution of Estate Surveyors and Valuers (NIESV) and the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON). Despite these institutional frameworks, valuation inconsistencies persist across regions. Most existing studies on valuation practices have concentrated on major urban centres such as Lagos, Abuja, and Port Harcourt, with limited empirical focus on secondary cities like Enugu (Adegoke et al., 2013; Ogunba and Ajayi, 2007). Enugu Metropolis, a key administrative

and commercial centre in southeastern Nigeria, presents a growing and diverse property market that demands robust valuation services for investment, mortgage, and policy decisions. Yet anecdotal evidence suggests that valuation practices in the city remain largely traditional, characterised by limited data application and methodological uniformity.

Given these gaps, this study investigates property valuation practices among Estate Surveying and Valuation firms in Enugu Metropolis. It specifically examines the valuation methods employed, the techniques used in deriving key inputs such as yields and outgoings, and the extent of reliance on professional judgment. The findings are expected to enhance understanding of valuation behaviour in regional Nigerian markets, improve methodological transparency, and inform policy and professional reforms aimed at strengthening valuation accuracy and consistency.

Literature Review

Application of the income capitalisation approach

The income capitalisation approach remains one of the most widely recognised valuation methods for income-producing real estate, as it directly links property value to expected income streams. Udobi et al. (2016) found that value estimates derived using the conventional investment method were strong and reliable proxies for market prices of real properties. Similarly, Effiong (2015) demonstrated that the income capitalisation approach is the most reliable method for valuing rental income–generating real estate investments in Calabar. However, this approach is often hindered by the unavailability of reliable market data, particularly regarding recent sales prices, rents, and yields. Bello and Okorie (2012) also noted that, in Abuja, the income capitalisation approach was more suitable than the depreciated replacement cost method for valuing income-producing properties used to secure mortgage loans.

In contrast, Chiwuzie et al. (2017) observed that valuers in Abuja rarely employed the investment method for mortgage valuations, often preferring alternative approaches. Idowu et al. (2012) similarly reported that although the investment method is theoretically appropriate for residential property valuation in Lagos, practitioners frequently combine it with the comparative and cost methods due to limited data and lack of confidence in the investment approach. In Addis Ababa, Biniyam (2017) found that the income method produced reliable value estimates for older properties, while the replacement cost method was more accurate for newer buildings.

Research across different jurisdictions supports the broad applicability of the income approach, though the specific methods vary. Ilsjan (2005) revealed that in Estonia, about 50% of valuers used both the income and sales comparison approaches, with 55% preferring the discounted cash flow (DCF) method, 25% applying direct capitalisation, and 20% combining both. Berman (1996)

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found that South African valuers primarily relied on the income capitalisation, DCF, and comparable sales methods for commercial, office, and industrial properties, while the comparable sales method was dominant for residential valuations. Similarly, Parker (1996) reported that in Australia, the United States, and Canada, both the DCF and income capitalisation approaches were the predominant valuation methods, whereas in Britain, valuers also favoured these two approaches. Bello and Bello (2009) further observed that while Nigerian valuers are familiar with traditional methods, they generally lack exposure to advanced valuation models such as fuzzy logic and artificial neural networks.

Yield/Capitalisation rate determination

The accuracy of the income capitalisation approach largely depends on the correct estimation of the capitalisation rate or yield. Prasetyanto and Sasana (2019) found that land size, building size, location, and building age all exerted positive influences on capitalisation rates in Sleman Regency, Indonesia. In the Nigerian context, Chiwuzie et al. (2017) reported that valuers in Abuja often derived yields by combining analysis of recent sales with professional intuition. Elekwachi et al. (2016) emphasised that for the investment method to accurately reflect market prices, yields must be grounded in empirical market surveys and derived from comparable sales and rental evidence. Internationally, Parker (1996) noted that in the United States, Canada, Great Britain, and Australia, valuers determine capitalisation rates through the search for comparable market data, complemented by professional judgment and experience.

Determining the income capitalisation approach variables

Accurate estimation of income approach variables, such as rent, outgoings, and yield, is essential for valuation reliability. Iroham (2012) found that in Lagos, Rivers, and Abuja, 71.9% of valuation firms used rule-of-thumb estimates to calculate outgoings, while 28.1% relied on comparable property samples. Similarly, 55.7% adopted easily available rental evidence, while 44.3% conducted market surveys; and 63.5% determined yields through market surveys, compared with 36.5% who used readily available data. This variation suggests a lack of uniformity in how Nigerian valuers derive income capitalisation variables. Ayedun (2009) also observed that the variables used in Lagos were often not derived from the market, resulting in valuation inaccuracies and inconsistencies.

Ukabam (2008) reported that in Lagos, repair costs had the greatest impact on rental values, but valuers applied inconsistent methods in calculating outgoings, some using a flat 10% deduction, others assigning different percentages to various components. This inconsistency points to the need for a standardised approach. Similarly, Ilsjan (2005) found that in Estonia, valuers relied on both contractual and market rents in their DCF analyses. When contractual rents exceeded market rents, most valuers adjusted to market levels, but when contractual rents were lower, practices varied significantly, indicating non-homogeneous application of valuation assumptions.

Discounted cash flow (DCF) method

The DCF method, a dynamic extension of the income approach, has gained prominence in developed markets but remains underutilised in many developing countries. Bellman and Lind (2019) found that Swedish valuers predominantly use the DCF method, although reliance on comparative methods has increased. In Nigeria, however, Aro-Gordon (2016) revealed that only 1% of valuers employed the DCF technique for mortgage valuations, while 57% relied on the depreciated replacement cost method and 8% used the income capitalisation approach. This low adoption was attributed to inadequate knowledge of the model, lack of relevant data, and the absence of comprehensive valuation standards or guidance notes. Similarly, Mohammed et al. (2016) reported minimal application of DCF-based models among Nigerian valuers, citing limited client demand, lack of training, and weak regulatory enforcement by NIESV and ESVARBON.

In South Africa, Pienaar (2015) found that 69% of valuers preferred the capitalisation method, while 37% used DCF. The preference for capitalisation was attributed to the relative simplicity of the method and the difficulties associated with obtaining reliable input data for DCF modelling. Kallio et al. (2012) also observed that Finnish valuers rely extensively on cash flow analysis for commercial properties, while Boyd (1995) noted that Australian valuers' academic qualifications influence their choice of valuation method, with more academically trained valuers favouring cash flow-based techniques.

Depreciated replacement cost method

The depreciated replacement cost (DRC) method is commonly used for properties with limited comparable evidence, though its application in income-producing property valuation has been questioned. Okorie et al. (2015) found that 30.56% of valuers used the DRC method for bank-lending valuations of income-generating properties, often estimating depreciation through subjective judgment. The study concluded that the DRC method might not adequately represent market value for income-producing assets. Similarly, Nwanekezie and Archibong (2013) reported that 80.56% of valuation firms in Uyo preferred the DRC method to the investment method for income-generating properties, indicating possible methodological misalignment. Babawale (2012) confirmed that Nigerian valuers mostly apply the income, comparison, and cost methods, while Gitari (2001) found that in Nairobi, the investment method was most appropriate for built residential properties, though valuers often relied on the cost approach for upmarket residential properties and used comparable sales to justify their final opinions of value.

Sales comparison method

The sales comparison method is another widely applied approach in both developed and emerging property markets. Abidoye and Chan (2016) observed that Nigerian valuers are familiar with and frequently apply traditional valuation methods, particularly the sales comparison approach, but

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exhibit limited knowledge of advanced models such as the hedonic pricing model. In South Africa, Mooya (2015) reported that a large proportion of valuers rely on the sales comparison method, while the profit method is rarely used. Similarly, Kinnard et al. (2002) found that valuers in the United States use the market comparison method extensively in valuing contaminated properties due to the availability of relevant data, while 29% of valuers in New Zealand also apply the direct market comparison approach.

Summary of literature review

The reviewed literature indicates that Nigerian valuation practice remains dominated by traditional methods, with limited integration of advanced analytical tools. Although the income capitalisation approach is conceptually the most appropriate for income-producing properties, its effectiveness is often constrained by limited market data, inconsistent yield estimation, and reliance on professional judgment. While valuers in developed markets increasingly adopt dynamic models such as DCF, practitioners in Nigeria and other emerging economies continue to depend on simpler methods. These disparities underscore the importance of investigating how Estate Surveying and Valuation firms in Enugu Metropolis apply valuation approaches in practice and the implications for valuation accuracy and professional credibility.

Methodology

This study adopted a descriptive survey research design to examine the property valuation practices among Estate Surveying and Valuation firms in Enugu Metropolis. The design was considered appropriate because it allowed for the systematic collection of quantitative and qualitative data from a defined population in order to describe existing practices, opinions, and conditions without manipulating the study variables. Both primary and secondary data sources were utilised to ensure a comprehensive understanding of the research problem.

The primary data were obtained through the administration of structured questionnaires to forty (40) Estate Surveying and Valuation firms operating within Enugu Metropolis. These firms were selected because they regularly undertake valuation assignments for public institutions, private organisations, financial institutions, and individuals, thereby representing the main body of professional valuers in the study area. The questionnaire was designed to capture information on the valuation methods employed, the basis for determining key variables such as rent, yields, and outgoings, and the extent to which valuers rely on professional judgement or data-driven analysis. The instrument was personally administered by the researcher to ensure a high response rate and proper clarification of questions where necessary.

Secondary data were sourced from published and unpublished literature, including textbooks, journal articles, conference papers, dissertations, gazettes, and seminar presentations relevant to property valuation practice. In addition, the *Directory of the Nigerian Institution of Estate*

Surveyors and Valuers (2014) and supplementary records from the NIESV Enugu State Branch Secretariat were used to establish the study population and sampling frame. These sources identified a total of sixty-three (63) registered valuation firms operating in Enugu State at the time of the study, from which the sample of forty (40) firms was drawn. The choice of Enugu Metropolis as the study area was informed by its growing real estate market and the concentration of professional valuation firms serving both private and public sector clients.

The questionnaire design and content validity were assessed by three experts, two senior lecturers in Estate Management and a statistician, who reviewed the instrument for clarity, relevance, and alignment with the study objectives. A pilot study was also conducted to test the internal consistency and reliability of the data collection instrument. Ten questionnaires were pre-tested among valuers outside the main sample, and the responses were analysed using Cronbach's alpha. The reliability coefficients obtained for split halves 1 and 2 were 0.811 and 0.859, respectively, indicating a high level of internal consistency and suggesting that the questionnaire items were reliable for measuring valuation practices among firms in the study area.

Data collected from the field were coded and analysed using the Statistical Package for the Social Sciences (SPSS) version 22.0. Descriptive statistical tools such as frequencies and percentages were employed to summarise categorical variables and to provide a clear depiction of valuation practices among the sampled firms. The results were presented using tables for ease of interpretation and comparison. The combination of both descriptive survey data and secondary literature review ensured methodological rigour and strengthened the validity of the study findings.

Results

Table 1. Data collection pro-forma administered on respondent valuation firms

S/N	Number of Valuation Firms	Administered	Retrieved	Percentage (%)
1	63	40	40	100

Source: Field survey 2019

Out of the 63 registered Estate Surveying and Valuation firms in Enugu Metropolis, questionnaires were administered to 40 firms. All 40 were retrieved, representing a 100% response rate.

Table 2. Demography of respondent firms

Characteristics	Options	Frequency	Percentage (%)
Nature of firm's ownership	Sole proprietorship	35	87.5

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	Partnership	5	12.5
Years in practice	1 – 5 yrs	2	5.0
	6 – 10 yrs	5	12.5
	11 – 15 yrs	5	12.5
	15 – 20 yrs	8	20.0
	21 yrs and above	20	50%
Area of specialization	General practice	37	92.5
	Valuation, Real estate agency & Property/Facilities Management	3	7.5

Source: Field survey 2019

The results show that most of the respondent firms (87.5%) operate as sole proprietorships, while only 12.5% are partnerships. Half of the firms have been in practice for over 21 years, indicating a strong presence of experienced practitioners in the study area. In terms of specialization, 92.5% engage in general practice, suggesting that most firms undertake a wide range of real estate services rather than focusing on a specific niche.

Table 3. Methods of valuation used by respondent firms

S/N	Methods of Valuation	Frequency	Percentage (%)
1	Depreciated Replacement Cost Method	38	95.0
2	Investment/Income Capitalization Method	34	85.0
3	Direct Market Comparison Method	27	67.5
4	Combination of the investment method/ Depreciated Replacement Cost Method/ Direct Market Comparison Method	13	32.5
5	Discounted Cash Flow	1	2.5
	Total	**113**	**282.5**

Source: Field survey 2019

The results indicate that the depreciated replacement cost (DRC) method is the most widely used among respondent firms, with 95% applying it in their valuation exercises. This is followed by the investment/income capitalisation method (85%) and the direct market comparison (DMC) method (67.5%), reflecting a strong reliance on traditional valuation approaches. About 32.5% of the firms combine two or more of these conventional methods to enhance reliability and comparability of results. Only 2.5% reported using the discounted cash flow (DCF) method, indicating very limited adoption of advanced analytical techniques. Overall, the findings suggest that property valuation

practice in Enugu Metropolis is dominated by traditional methods, with minimal integration of modern, model-based approaches.

Table 4. Approaches adopted in arriving at the yield/capitalisation rate

S/N	Approaches Adopted in Arriving at the Yield/Capitalisation Rate	Frequency	Percentage (%)
1	Intuition	25	73.5
2	Analysis of comparable market evidences/transactions	14	41.2
3	Both intuition/ analysis of comparable market evidences/transactions	11	32.4
4	Internally historic generated sources of data	2	5.9
	Total	**52**	**153**

Source: Field survey 2019

The results reveal that most valuation firms (73.5%) rely primarily on intuition when determining yield or capitalisation rates. About 41.2% of the firms use analysis of comparable market evidence, while 32.4% combine both intuitive judgment and market data analysis. Only 5.9% depend on internally generated historical data, showing limited use of firm-based empirical records. This pattern highlights a strong dependence on subjective assessment rather than systematic market analysis. Consequently, the determination of yields among Estate Surveying and Valuation firms in Enugu may lack consistency and empirical grounding, potentially affecting valuation accuracy.

Table 5. Deduction of outgoings from gross rent

S/N	Deduction of Outgoings	Frequency	Percentage (%)
1	Yes	34	100.0
2	No	0	0.00
	Total	**34**	**100**

Source: Field survey 2019

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All respondent firms (100%) reported that they deduct outgoings from gross rent when carrying out property valuations. This indicates uniform compliance with standard valuation practice, ensuring that net income figures reflect actual property performance.

Table 6. Components that make up outgoings deduction

S/N	Components that Make up Your Outgoings Deduction	Frequency	Percentage (%)
1	Repairs/Maintenance cost	33	97.1
2	Property management fee	34	100.0
3	Land use charge/property rate	30	88.2
4	Insurance	16	47.1
	Other Items Include:		
5	Vacancy Rate/Void	23	67.6
6	Ground Rent	9	26.5
	Total	**145**	**426.5**

Source: Field survey 2019

The findings show that all respondent firms (100%) include property management fees as a component of outgoings deduction, while 97.1% account for repairs and maintenance costs. Land use charge or property rate is also widely considered (88.2%), indicating awareness of statutory obligations. However, only 47.1% of firms include insurance, suggesting limited consideration of risk-related expenses. Vacancy rate or void is factored in by 67.6% of firms, while just 26.5% deduct ground rent. Overall, the results reveal that although most firms apply key operational cost components, there is inconsistency in incorporating other relevant deductions that could affect income accuracy in valuation.

Table 7. Approaches adopted in calculating outgoings

S/N	Approach to Calculating Outgoings	Frequency	Percentage (%)
1	Percentage deduction from gross rent	32	94.12
2	Based on property management records of outgoings expenditure of the subject property	1	2.94

3	Outgoings from comparable properties	1	2.94
	Total	**34**	**100**

Source: Field survey 2019

The results indicate that 94.12% of the respondent firms calculate outgoings using a percentage deduction from gross rent. Only 2.94% rely on property management records of the subject property, and another 2.94% use data from comparable properties. This shows that most firms prefer a simplified, experience-based approach rather than evidence-driven or data-specific methods in estimating outgoings.

Table 8. Approaches adopted in calculating gross market rent

S/N	Approach Adopted in Calculating Gross Market Rent	Frequency	Percentage (%)
1	Analysis of rent passing on occupied properties that are similar to the subject property been valued	22	64.71
2	Rent passing on the subject property being valued	4	11.76
3	Analysis of market rent placed on vacant to let properties that are similar to the subject property been valued	21	61.76
	Total	**47**	**138.23**

Source: Field survey 2019

Most firms determine gross market rent by analysing rents on occupied comparable properties (64.71%) and vacant properties available to let (61.76%). This suggests that valuers in Enugu primarily rely on observable market evidence from comparable properties rather than rents from the subject property itself.

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Table 9. Management of insured properties

S/N	Firms that have Management Properties that are Insured	Frequency	Percentage (%)
1	Yes	1	2.5
2	No	39	97.5
	Total	**40**	**100**

Source: Field survey 2019

Only one firm (2.5%) reported managing insured properties, while 97.5% indicated otherwise. This suggests that property insurance is rarely practiced among management portfolios in Enugu, exposing assets to higher financial and operational risks.

Discussion

The study offers valuable insights into property valuation practices among Estate Surveying and Valuation firms in Enugu Metropolis, revealing a profession rooted in long-standing traditions but limited in methodological diversity and reliance on data-driven techniques. All forty administered questionnaires were returned, ensuring a reliable dataset. Most firms operate as sole proprietorships, reflecting a structure that promotes flexibility and close client relationships but limits innovation, research, and data management capacity. Although many firms have existed for over two decades, traditional approaches still dominate, indicating that professional experience has not translated into methodological modernisation. Furthermore, most firms engage in general practice, covering valuation, agency, and property management, rather than specialising in valuation consultancy. While such diversification aids business survival amid fluctuating demand (Bello and Okorie, 2012; Ogunba, 2013), it dilutes specialisation and restricts the adoption of advanced valuation techniques that require consistent data, technical expertise, and analytical rigour.

The results show that the depreciated replacement cost (DRC) method is the most widely used, followed by the investment or income capitalisation method and the direct market comparison method. This aligns with findings by Bello and Okorie (2012), Berman (1996), Chiwuzie et al. (2017), Effiong (2015), Gitari (2001), Idowu et al. (2012), Ilsjan (2005), Nwanekezie and Archibong (2013), Okorie et al. (2015), and Udobi et al. (2016), which document similar dominance of traditional methods. Nwanekezie and Archibong (2013) reported that 80.56% of valuation firms in Uyo preferred the DRC method to the investment method for income-producing properties. Such preference suggests that valuers in Enugu continue to rely on approaches that require minimal data and are consistent with their training and professional comfort zones.

Only one firm reported using the discounted cash flow (DCF) method, confirming the very low adoption of advanced, model-based techniques. This contrasts with Bellman and Lind's (2019) findings that Swedish valuers primarily use DCF analysis but corresponds with Aro-Gordon (2016), Mohammed et al. (2016), and Pienaar (2015), who found limited use of DCF in Nigeria and South Africa. Aro-Gordon (2016) revealed that only 1% of Nigerian valuers employed DCF for mortgage valuations. The low uptake of DCF in Enugu reflects broader constraints: inadequate market data, lack of analytical training, limited awareness, perceived complexity, and weak regulatory enforcement (Aro-Gordon, 2016; Mohammed et al., 2016; Pienaar, 2015). These factors highlight structural barriers that hinder methodological advancement in Nigerian valuation practice.

Although about one-third of firms combine multiple traditional methods to enhance reliability, this practice represents compensatory adjustment rather than systematic analytical triangulation. Idowu et al. (2012) observed a similar tendency in Lagos, where valuers blended investment, cost, and comparative methods due to poor data. Such combinations may offer reassurance but seldom improve valuation accuracy. Collectively, these findings underscore methodological conservatism in Enugu's valuation practice, which may compromise the robustness and market relevance of valuation outputs.

The approach to deriving yields or capitalisation rates further illustrates dependence on subjective judgment. Most firms rely primarily on intuition, while others use comparable evidence or a mixture of both. Only a few apply internally generated data. This confirms earlier observations by Chiwuzie et al. (2017), Ogunba and Olatoye (2007), and Parker (1996), who noted that Nigerian valuers often merge experience with limited market analysis to estimate yields. While professional intuition remains valuable, overreliance on it breeds inconsistency. Without structured transaction databases or standardised analytical frameworks, yield estimates differ across valuers, weakening credibility and investor confidence.

All respondent firms reported deducting outgoings from gross rent, indicating conformity with standard procedures for deriving net income. Yet variations exist in the components deducted. Property management fees and maintenance costs are almost universally applied, while land use charges, property rates, and vacancy allowances are common. Fewer firms deduct insurance or ground rent. This inconsistency suggests varied interpretations of valuation guidelines. The omission of some items can inflate net income and overstate investment value. Thus, while fundamental principles are understood, their application remains uneven across firms.

The approach to calculating outgoings reinforces this observation. Nearly all firms adopt fixed percentage deductions from gross rent, while few rely on property management records or market data. This mirrors Ayedun's (2009) findings that Nigerian valuers use three techniques, market

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evidence, management records, or percentage deductions. The reliance on fixed percentages represents a pragmatic adaptation to data scarcity and poor record-keeping. Although it simplifies computation, it reduces accuracy by ignoring variations in property type, age, and management efficiency, potentially distorting income-based valuations.

In estimating gross market rent, most firms depend on rents from occupied comparables, while others use data from vacant properties or passing rents. This pattern corresponds with findings by Iroham (2012) and Ogunba and Olatoye (2007). Iroham (2012) found that 55.7% of firms in Lagos, Abuja, and Port Harcourt used easily available rental data, while 44.3% relied on market surveys. Valuers in Enugu appear to recognise the importance of comparables, consistent with professional standards. However, the absence of organised rental databases implies that these comparisons rely on informal professional networks rather than verified data, preserving a degree of subjectivity in valuations.

A notable finding concerns the management of insured properties. Only one firm reported managing insured assets, while nearly all others did not. This, points to minimal integration of insurance within property management practice in Enugu. The lack of insurance exposes property owners and managers to significant financial and operational risks and indicates a broader neglect of risk management principles. For valuers, this weakness has implications for investment valuation accuracy, as risk exposure directly affects yield assessment and the sustainability of projected income streams.

Overall, this study demonstrates that property valuation practice in Enugu Metropolis remains predominantly traditional, intuitive, and experience-driven. Valuers exhibit competence in fundamental valuation procedures such as rent comparison and outgoings deduction but show limited engagement with advanced, data-oriented methods. These findings reveal persistent challenges, including poor data infrastructure, inadequate analytical tools, and limited professional training. Such constraints reduce the consistency and transparency of valuation outcomes and diminish their usefulness to investors, lenders, and policymakers.

The study's findings are consistent with wider national and international research indicating that valuation practice in many developing property markets remains rooted in conventional approaches despite exposure to global standards (Babawale and Omirin, 2011; Adegoke et al., 2013).

Conclusion and Recommendations

This study examined property valuation practices among Estate Surveying and Valuation firms in Enugu Metropolis, highlighting the methods, approaches, and procedures commonly adopted in valuation exercises. The findings show that valuation practice in the area is dominated by traditional methods such as the DRC, investment/income capitalisation, and DMC methods. These approaches, though widely accepted, are largely qualitative and depend on professional experience rather than empirical data or advanced analytical techniques. The minimal use of modern methods such as the DCF analysis reflects limited technological adoption, poor data availability, and a lack of specialized training among practitioners.

The analysis of yield determination and outgoings estimation further reveals that intuition and rule-of-thumb procedures dominate professional practice. Many valuers derive yields and outgoings through subjective judgment or percentage deductions from gross rent rather than detailed analysis of market evidence or financial records. Although such practices demonstrate adaptation to a data-scarce environment, they also expose valuation outcomes to inconsistencies and reduce the reliability of investment appraisals. The results also show that most firms fail to integrate insurance into property management activities, suggesting a low awareness of risk management principles. This gap potentially increases exposure to financial loss and limits the accuracy of long-term value forecasts.

Despite these limitations, the findings reveal a strong professional foundation among practitioners in Enugu. Most firms adhere to the basic principles of valuation, including outgoings deduction and market rent comparison, demonstrating understanding of essential valuation procedures. The prevalence of long-established firms also indicates a stable professional environment capable of supporting reforms and capacity building. However, the persistence of intuitive practices and limited empirical validation suggest the need for modernization of valuation processes and improvement in data infrastructure.

To improve valuation reliability and enhance professional credibility, there is a need to strengthen access to market data through collaborative information-sharing systems and the establishment of property transaction databases. Continuous professional development should emphasize quantitative analysis, risk assessment, and the application of modern valuation models. Encouraging greater specialization within firms and promoting the use of digital tools will enhance methodological precision. Finally, integrating insurance and structured risk management into property management practice will improve investment security and align valuation standards in Enugu Metropolis with international best practice.

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