

Internalising International Valuation Standards: Relevance and Applicability Issues in the Nigerian Context

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Abstract

The trail of globalisation has transformed the business world and imposed a commonality of approach in all facets of investment and financial reporting. For Valuers, it accentuated the need for convergence towards common practice standards in valuation. The emergence and subsequent institution of the International Valuation Standards (IVSs) Committee as a world body for setting such standards sustained the momentum and caters for this need. The paper examined the extent of adherence to international valuation standards at national level in a practical setting. The extent of market maturity and existence of environment specific factors have elicited the questions of applicability and relevance in the context of valuation practice in Nigeria. The paper, through extensive literature review, traced the process and forces which have informed a commonality of approach to valuation practice and standards the world over. It draws implications for applying IVSs in emerging economies like Nigeria.

Keywords: Applicability, Globalisation, Nigeria, Valuation Standards

Introduction

Globalisation of the world's economy which commenced in the mid-20th century became established as the world's new order by the turn of the century. Through advancements in technology and series of regional and country bilateral agreements which saw to the formation of regional economic blocks came the elimination of trade/ investment barriers (McParland, McGreal & Adair, 1997). This in turn translated to the internationalisation of investment activities across borders. A major fallout of internationalisation of investments was not just imperative for some form of standardisation in investment practice but more importantly, the emergence of the requirement for a uniform financial reporting practice (Reis, Downie, & Fisher, 2002). Not only did the requirement of complying with established corporate practice of parent firms compel need for common reporting formats for subsidiaries in new markets, it necessitated investment comparability across borders. Caught in this web is property valuation practice which according to Reis et al (2002) must be standardised as "international standards for company accounting cannot provide full transparency and consistency unless there are accompanying standards for property valuation". Prior to the making of International Valuation

Standards (IVSs), attempts at standardisation of valuation practice had been a national issue. The current effort of achieving a globally harmonised Valuation practice through IVSs still has to contend with regional and national standards. For those states without a professional valuation society, or with deeply legislated and non-valuation based practitioners valuation is still conducted according to the various recognised societies guidelines within a state, prescriptions by legislation on accounting and financial reporting, and other country-specific valuation cultures (Reis et al 2002).

The speed with which the International Valuation Standards Committee (IVSC) has won global acceptance for a worldwide valuation practice standards underscores the importance attached to the issue by the property valuation world. Earlier on, property market induced financial crisis in some economies had led to the making of valuation standards as this was blamed on the quality of investment advice issued by property Valuers (McParland et al, 1997). According to McParland et al (1997), Malaquin (1997) had identified four primary reasons, inclusive of the aforementioned, for valuation standards at the international level. These include; the 1977 creation of The European Group of Valuers of Fixed Asset who like the RICS developed a set of

standards, the creation of the International Assets Valuation Committee (TIAVSC) in 1982 which metamorphosed into the IVSC in 1996, and internationalisation of investment activity across Europe upon its unification in realisation of the objectives of the 1985 Single European Act and 1991 Maastricht Treaty. Since 2000, the IVSC has published IVSs which is reviewed in accordance with the International Accounting Standards Board's (IASB) provisions for property valuation in International Financial Reporting Statements (IFRS) for auditing firms.

As it has turned out today, international valuation standards promoted and developed by the IVSC have come to be 'globally' established and its adoption by national property valuation societies justified. Notwithstanding the internationalisation of property valuation practice and adoption of international valuation standards, it is the contention of this paper that the relevance and applicability of valuation standards within some economies demands scrutiny. For emerging economies like Nigeria, the very nature of the property market and state of valuation practice pose market specific challenges. This paper sets in context, the related issues of applicability and relevance of international valuation standards at the local level from the perspective of level of property market maturity,

market stability variable and valuation practice. Taking cognisance of the very factors that culminated in the making of international valuation standards, and the local property market's level of maturity, can the international valuation standards be adopted for local valuation practice? What factors are most pertinent in this regard and in which ways do they constrain the relevance and applicability of international valuation standards locally?

The issue of local applicability of international valuation standards is adjudged topical given the global acceptance of the need for a commonality in approach to valuation practice standards and reporting. While the adoption of international valuation standards locally may appear exigent, the pertinence of constraining market specific factors must be given due consideration for meaningful convergence, particularly in emerging economies like Nigeria. By reviewing and identifying areas of specific market challenges with respect to the application of international valuation standards locally, the stage will be set for evolving and attuning appropriate local guidelines towards international standardisation.

Why are standards required for property valuation practice?

Property valuation practice is scarcely precise (French & Gabrielli, 2004). This emanates from the very nature of real property the subject of valuation and its market. According to Wyatt (2007), owing to the imperfections and inefficiencies in the property market, the valuer is required to form an opinion of value by assessment of value determining factors on the basis of expertise and experience. These elements are so inherently subjective that different valuers will apply them somewhat differently when solving the same valuation problem. Explaining further, Wyatt (2007) observes that valuers utilise and interpret past information to arrive at current value, notwithstanding the fact that this information /data is hardly static. Thus Valuers operate without perfect knowledge of the market, following client instructions to deal with a heterogeneous commodity in which transactions occur at prices that often do not represent market values. For this reason, it is observed in practice that, valuation of the same property by different Valuers will neither be the same nor will it necessarily equate the agreed exchange price. Further complexity is introduced into the process with clients requiring and utilising valuations for different purposes. This demands some agreement as to the form valuation reports should take on a commonly agreed

categorisation of clients' needs for and use of valuations. This in turn necessitates a common definition of value concepts between end users and valuers as a means of guiding and promoting uniformity of approach to solving clients' property value questions. To minimise the extent of valuation variance the disparity in valuation of the same property, professional valuation societies, governments, and users of valuation services have sought a convergence in approach by property valuers through valuation standards.

The Evolution of IVSs and Factors that shape valuation standards

Valuation literature reveals that the issue of standards assumed centre-stage about the last quarter of the 20th Century. According to Barry and Preston (2005), valuation standards first emerged at the national levels in a bid to address financial crisis whose roots were traced to property related bank transactions (see also French, 2003; McParland et al, 1997). These crises were traceable to poor quality advisories respecting values of property used to secure bank loans. They cite the RICS issuance of the Red Book in the 1970s in the aftermath of the UK property crash and the US Government's response to the savings and loans crisis of 1980s insisting on uniform appraisal standards and licensing across states (Gilbertson & Preston, 2005).

According to Ajayi (2009), the imperative for and commencement towards the internationalisation of valuation standards arose from the savings and loan crisis which led to the formation of The Appraisal Foundation (TAF) by major US and Canadian appraisal organisations. Formed with the sole purpose of cooperating for standards setting and appraiser certification the TAF produced the Uniform Standards of Professional Appraisal Practice (USPAP), (Ajayi, 2009). In a similar vein, the process of unification of Europe saw the emergence of The European Group of Valuers Associations (TeGOVA) as an umbrella body by 1978. Its emergence as a regional block, like the TAF, in Europe was aimed at creating and harmonising standards for valuation practice. Like the TAF, TeGOVA issued its first European approved valuation standards, the Blue Book, in 1977. These regional bodies have since then been publishing Valuation standards however with increasing collaboration since the formation of The International Assets Valuation Committee (TIAVSC) in 1981, now International Valuation Standards Committee (IVSC, 1981).

It did not take long after the emergence of regional valuation standards before the need for truly international valuation practice standards was forced on the valuation world by the wave of globalisation. The strategic role of

real property and other assets in the operation of corporate entities and its quality as an investment asset class in itself called for a uniformity in their treatment and valuation for incorporation into accounts.

From the onset of internationalisation of investment practice it became evident that national accounting standards would not only prove inadequate for international financial reporting but, complicate the process. Hussey & Ong (2005) report that the necessity for common international standards for financial reporting compelled the formation of The International Accounting Standards Committee (IASC) in 1973 by accounting bodies from Australia, Canada, France, Germany, Mexico, the Netherlands, the United Kingdom and Ireland, and the United States. The crux has been to achieve consistency internationally in definitions, measurement and treatment of transactions in the course of business or investment to enable financial reporting that allows for cross country comparability and appreciation. By 2001, the IASB, successor to the IASC, assumed full standards setting role for the accountancy profession worldwide. It is noteworthy too that accounting standards which formally appeared in the 1970s have, and are still undergoing changes in the bid for their international harmonisation or convergence (Hussey & Ong, 2005).

The IVSC has since its formation cooperatively engaged the IASB on accounting requirements for valuation of property for the various international financial reporting and other purposes.

A major issue accounting standards have had to deal with relates to property and in diverse ways too. International investors need to compare and judge performance of their property investments across borders and reliably too. It is for this reason that Hordijk & Condit (1997) attribute the desire to harmonise valuation standards majorly to the influence of cross-border property investors who “having become increasingly frustrated ... in the 1980s perceived that standardisation and quality of appraisal must improve if they were to have any chance of improving the quality and liquidity of their portfolios”. Thus in practice, it had meant that valuation standards considered necessary for aiding transparency in financial reporting and other property related transactions, would keep changing with the demands of accounting standards.

It therefore became exigent for international investors, fund managers, regulators, governments, and auditing bodies charged with making or utilising financial reports on the performance of businesses to become concerned. As succinctly observed by Ajayi (2009):

“the initial stimulus for this was the need for valuers across the world to develop bases (standards) of valuation to relate and harmonise with international accounting bases of value developed for financial reporting by the International Accounting Standards Committee (IASC), now known as IASB”

This informed the formation of the International Valuation Standards Committee by the RICS and the American Appraisal Institute working in conjunction with IASB's to set valuation standards for international financial reporting. The IVSC with headquarters in London transformed into a council in 2007. It draws membership from 52 countries and enjoys recognition of the United Nations, the World Bank, International Finance Corporation, besides the IASB who in the first instance were one of the major promoters of its formation.

It can thus be explained that the need for valuation practice standards first evolved with isolated national financial crises which were partly traced to poor quality valuations. The formation of regional economic blocks later saw to their internationalisation at the regional level with the impetus for worldwide applicable standards created and set by the globalisation of investment practice.

The issues for standardisation converged on 1) defining and agreeing bases for the various purposes for which clients require valuation, 2) adoption of minimum requirements for valuation reporting, and 3) setting a common code of conduct for professional valuers worldwide. As observed by Reis et al (2002), valuation standards, driven by the quest for harmonisation, have now become available on three levels. There are national, regional, and international standards among those states with a regional valuers organisation for valuers as in Europe. While for other states like Nigeria, a duality of standards can be shown to exist i.e. one published by the national society NIESV, and the IVS to which she subscribes as a member of the IVSC. The NIESV issued its first Guidance Notes in 1985 and must have probably been warranted by the developments which were unfolding in the UK about the time. The current edition (2nd) of NIESV's Valuation Standards and Guidance Notes was issued in 2006, and substantially bears close semblance with the 6th Edition of the IVS. This can be attributed to the fact that, about then, the NIESV having joined membership of the IVSC became obliged to harmonise its national valuation standards with those of the IVS whose first edition was published in 1995.

Implications of IVSs for local valuation practice in emerging and less mature property markets

IVSs as published today by the IVSC have set the path for the attainment of a worldwide convergence for valuation practice standards for an internationalised investment world. The imperative for truly internationalised valuation standards is underscored by the role valuation plays in today's globalised economy where a diversity of national valuation standards serves no meaningful purpose. Recognition of the IVSC and endorsement of IVS by standard setting bodies like the International Accounting Standards Board (IASB), an organ of the International Federation of Accountants (IFAC) and the International Organisation of Security Commissions (IOSCO) is by all standards a grand and lofty achievement. Besides being a Non-Government Organisation (NGO) member of the United Nations by virtue of her Roster status of United Nations Economic, Scientific and Cultural Organisation (UNESCO) since 1985, IVSC is cooperatively engaged with the World Bank, the World Trade Organisation (WTO), International Monetary Fund (IMF), the Commission of the European Union, and the Bank for International Settlement (BIS) (International Valuation Standards Committee, 2007).

In effect, it is easily discernible that the IVSC through the IVS is engaged with a greater proportion of the world's investing community. Moving with changes in accounting standards as adopted by the IASB in defining value and how it intends its measurement through IFRSs for various financial reporting purposes. The IVSC similarly, works with the other standard setters like the IOSCO, who also endorses the IVS. Perhaps the one major challenge for the IVSC is to win over the Federal Accounting Standards Board (FASB) of the US' endorsement of the IVS. The FASB is responsible for setting financial reporting standards in the US through the Federal Accounting Statements (FAS) (International Valuation Standards Committee, 2002). The FASB, though cooperatively engaged with the IASB is yet to adopt the IFRS and uphold financial reporting on the basis of the historical cost convention of valuation of assets by book value, rather than revaluations.

One area of concern for the IVSC is the difficulties posed by emerging markets to the practice of property valuation particularly as it relates to compliance with the IVS. The peculiar status of emerging markets must have informed the provision for inclusion of members from emerging economies on the IVSC Management Board in rotation. To specifically address the valuation problems of these economies the

IVSC had set up an expert sub-committee in 2001 to work on emerging markets. The submissions of the expert subgroup was included as a White paper titled 'White paper on Valuation in Emerging Markets in the 2003 (6th Edition) of the IVS (IVSC, 2002). Sequel to its recent policy of publishing White Papers on its website rather than including them in the IVS, the IVSC reported that the White Paper on Valuation in Emerging Markets had been released on its website as at the publication date of the 8th Edition (2007) of the IVS. It would be recalled that the issue of Valuation in Emerging Markets entered focus with its inclusion as a new Commentary in the (2001) 5th Edition of the IVS. It is noteworthy that the IVSC has since then engaged this issue methodologically given its complexity.

It would appear that the task before the IVSC is overwhelmingly daunting given the myriad of challenges that confront emerging markets with respect to valuation practice and most importantly, its standardisation. The IVSC had earlier identified the following issues as topical among emerging economies: a poor or inadequate legal framework constraining the functioning of the property market; lack of published information or difficulty in obtaining transaction data; greater volatility of property market; lack of adequately trained professional valuers; outdated

National valuation standards; external pressure; excessive or insufficient government intervention; and growing importance of intangible property (International Valuation Standards Committee, 2003). As aptly observed by the IVSC, though these issues may resonate with the developed economies' property markets, they are more prevalent in emerging economies.

The next section is a review of major and recent developments in the Nigerian economy that affect the property market. This is followed by a survey of selected literature on valuation practice in Nigeria. The last part of the paper draws on the commentaries reviewed to highlight identified peculiarities for compliance with the IVS in Nigeria's context.

The Nigerian economy and the property market

The Nigerian economy has undergone much transformation since independence in 1960 after which it was boosted by the oil boom. Massive public investments ensued in almost all sectors of the economy. This was executed through medium term development planning practiced between 1962-1984 (Nnanna, Englama, & Odoko, 2004). Progress was however marred by erratic policy administration occasioned by political instability. The neglect of

agriculture following the oil boom and reliance on petroleum made the economy vulnerable to vagaries of oil price fluctuations. In the wake of the global oil glut of the early 1980s, it dawned on the government that it could not sustain her ambitious investment programmes in building infrastructure, housing, banking industries, and social amenities sectors. Furthermore, a huge debt was building up that would prove intractable. The first two post independence decades were marked with the establishment of Housing Corporations, which developed housing and other investment property for States and the Federal Governments. Also during this period sought to restructure the mortgage institution in Nigeria by transforming the Nigerian Building Society into a Mortgage Bank and licensing more mortgage societies. Most significant for the property market was the enactment of the Land Use Act Decree (No. 6) of 1978. The Decree radically changed land tenure systems by imposing a uniform tenure system nationwide. What had appeared as a boom in the property market in the 70s suffered shocks under the weight of the several economic policies imposed by the nation's economic exigencies from the mid-80s. The financial crises of the 1980s lasted to the 1990s and wiped out whatever gains made in growing the mortgage sector. The government's initial policy of partial deregulation and commercialisation introduced in

1986 under the Structural Adjustment Programme and, the present government's economic and other reform programmes such as total deregulation bid have recently led to privatisation of utilities and state housing agencies including the sale of estates and leasing of government properties. The requirements for commercialisation and privatisation, and management of the banking crises of the late 1990s for valuation services exposed the inconsistencies of Nigerian valuation practitioners. The unprofessional handling of expert reports from other professionals for purposes of valuation reporting has equally led to spurious claims to superior valuation competence by engineers and quantity surveyors (Belo, 2009). It would be argued that these circumstances arose from a lack of appropriate national valuation standards and guidelines that make for a convergence of approach in providing valuation services.

The current state of local valuation practice

The year 2012 is the 43rd anniversary of the Nigerian Institution of Estate Surveyors and Valuers (NIESV) having been established in 1969 and granted official recognition by (Decree No. 24) of 1975 now CAP III LFN, 1990 establishing Estate Surveyors and Valuers Registration Board of

Nigeria. The local profession of Estate Surveying and Valuation was established by the few General Practice Surveyors then practicing in Nigeria. It now has membership strength of over 8,000 and operates a structure that gives the NIESV the privilege of admitting members who are subsequently registered by government body. Its growth in membership has been driven by the growing number of tertiary institutions offering degrees and diplomas in Estate Management. The practice regulatory body, the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) is legally charged with determining qualifications and registering practitioners. It works with the NIESV in upholding practice standards in the public interest in Nigeria. (see Ogunba & Ajayi, 2007 for a more detailed history of Nigerian valuation practice). The NIESV was admitted to full membership of the IVSC in 2001 and was the Developing Country Representative on the Management Board of IVSC for 2007 - 2008 (IVS, 2007).

Issues shaping the practice of valuation in Nigeria have remained topical among local scholars and practitioners who, conscious of its role in Nigeria's emerging economy, have continually researched them. The NIESV has equally commissioned studies aimed at improving the quality of valuation practice in Nigeria (Igboko, 1992).

The issues mostly dealt with in the last decade have been in such areas as Valuation for compensation and related issues (Udia, 2006; Kalu, 2002; Ibiyemi & Otegbulu, 2006); fostering reliability, consistency and rationality in approach (Ogunba & Ojo, 2007; Ojo, 2004); and attuning local valuation practice to the demands of globalisation (Ogunba & Ajayi, 2007; Babawale, 2005; Babawale & Koleosho, 2006). Other issues explored include, the behavioural aspect of valuation practice and clients' influence on valuer's opinion (Adegoke & Aluko, 2007; Amidu & Aluko, 2007). Most recently, the related themes of valuation accuracy and practice standards have assumed topicality (Ajayi, 2009; Babawale, 2007; Ogunba & Ajayi, 1998).

Of particular relevance to this study are the works of Ogunba & Ajayi (1998 & 2007), Babawale (2005 & 2007), and Ajayi (2009). These works, taken together, account for the existing state of valuation practice in Nigeria. These provide a good basis for understanding the evolution and driving dynamics of Nigerian valuation practice, the search for convergence (accuracy), and the place of practice standards.

Ogunba & Ajayi (1998) 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 & Ajayi tested 30 practitioners in Lagos metropolis for consistency and reliability of their value opinions and it was revealed that 'valuations are not a good proxy for market prices'. They recommended the creation of a property database and stressed the necessity for adoption of corrective measures. In their subsequent study of 2007, Ogunba & Ajayi focusing on the Nigerian valuers response to increasing investor sophistication, observed that clients and investors were concerned about the inability of the Nigerian valuers to reliably predict market prices. They cited previous works as identifying three reasons for the inaccuracy. That i) practitioners were employing dissimilar methods in determining yields for use in the traditional term and reversion model. These yields derived from un-revised market analysis prove inappropriate in Nigeria's inflationary economy. ii) The inability of Nigerian Valuers to appreciate the impact of the reverse yield gap similar to that which occurred in the UK in the 70s and 80s operating and reduced property yields caused panic among Nigerian valuers. At a time when investors expect growth from their property investments in Nigeria's inflation prone economy, Nigerian valuers appear confused resorting to the cost approach for valuing income producing properties. iii) The poor

research culture of both the NIESV and ESVARBON. They make a strong case for the creation of a property databank, the making of an investor-focused valuation practice standards, and a proactive disposition towards research by the NIESV and ESVARBON. This they espouse is to nurture enhanced expertise in valuation practice among Nigerian valuers relevant to needs of the 21st century investment practice.

Babawale (2005) had expressed concerns for Nigerian valuation practice with respect to the emergence of international valuation standards, a fall out of globalised investment practice. He argues that for an emerging economy like Nigeria, the challenge posed for standardisation of valuation 'may go deeper than a mere acceptance of valuation standards' (p.41). In his review of factors specifically constraining the Nigerian property market he contends that the factors identified by the IVSC are deeply accentuated in the Nigerian property market. Specifically, he outlines the poor state of the economy characterised by inflation, high interest rate regime, and huge debt overhang. Equally disturbing is the myriad of laws on land use, planning, and property taxation; paucity or inaccessibility of information on transactions in property; inefficient regulatory organs for the practice of valuation. He equally decries the

non-existence of a national valuation standards and reliance on an 'obsolete training curriculum for the training of Valuers. Except for the issue of training, which is in disagreement with Ogunba & Ajayi (2007) who contend that the academia has transformed its curricula, both works reiterate need for the creation of a property databank and making of national valuation standards.

The IVS: Applicability Issues in the Nigerian Economy and Environment

The emerging convergence of world valuation practice standards has meant a duality or more of practice standards for many nations. As observed by Reis et al (2002) for some nations valuation standards are available at three levels; international, regional, and national. It thus follows that true convergence is yet to be achieved around the globe. In realisation of legal limitations for a worldwide imposition of standards, the IVSC submits that "Having no enforcement powers of its own, the IVSC looks to national institutes and the financial professionals to enforce standards' (IVSC, 2007). In seeking out best practice standards among her members for the ever dynamic and sophisticated clients of valuation, and securing the endorsement of the financial professionals, who of necessity desire a convergence, the IVSC's IVS stand preferred above national and

regional standards. This remains the position in spite of the IVSC's modest desire that the IVS and national standards of member states be 'complimentary and mutually supportive'. It is to be noted that, the application of the IVS in Nigeria raises a number of yet to be resolved issues.

First, there is need to define the place and role of the IVS within the national standards. The current national standards Valuation Standards and Guidance Notes of The Nigerian Institution of Estate Surveyors and Valuers (2006) was published five years after Nigeria's (NIESV) formal admission to the IVSC as a full member. It would be expected that about this time the national standards would have contained an articulated position of how the national standards relate to the IVS. Rather it is simply provided in the objectives of the Nigerian Standards (objective (c) that the publication is intended to make members 'internationally competitive' (NIESV, 2006). It is yet unclear how the national standards adopting only parts of the IVS would make her members internationally competitive. It is either the NIESV adopts the IVS, or defines how it fits into her standards. This is what obtains with other societies. The Appraisal Institute of Canada, for instance, in endorsing the IVS in 2001, not only named the edition but added inter alia 'and recommend them to our members

when doing assignments where Canadian Standards are silent...' (IVSC, 2002). The inclusion of certain aspects of the IVS into the Canadian Standards, such an endorsement properly guides its members. Is not enough to simply include provisions of the IVS into the NIESV standards without defining the nature of integration.

Secondly, a review of the evolution towards convergence of valuation practice standards as obtain today reveals that its making was not just gradual but rather reactionary. The object and initial form however was set to meet national requirements which in time assumed regional and international relevance. Major drivers remain financial professionals and international investors, with the former defining the form valuation standards should take to meet reporting requirements for the later. Pioneered by valuers in mature investment economies, there exists a strong co-operation with financial professionals. As at today there is no such a rapport between Nigerian Valuers and their financial counterparts. Besides there is a seeming reluctance on the part of Nigerian financial professionals to adopt the IFRS. A 2007 JP Morgan survey of the banking industry (the most vibrant sector by investment activity) revealed that of about 24 banks in operation in Nigeria then only one has adopted the IFRS for financial reporting ((JP Morgan, 2008). It

would thus be preposterous to adopt standards that are significantly based on IFRS and IPSAS definitions in an economy yet to adopt same for financial reporting. It can equally be seen in the continued request for Forced Sale Value advice from Valuers by financiers in the most common valuation practice valuation for mortgage lending. In the 8th Edition of the IVS, Forced Sale Value is no longer recognised as basis of valuation.

Lastly it is to be noted that valuation practice is regulated in Nigeria. It thus follows that the IVS would prove relevant in our economy when the financial reporting professionals adopt the IFRS for financial reporting. With the EU's adoption of the IFRS and consequently fair value model for accounting in 2005, it would require the passage of a bill to this effect for change from historical cost accounting model to the fair value model by the financial professionals. It is only then that adoption of the IVS would be rational. Fortunately a bill for an Act of establishing the Nigerian Accounting Standards Board is in the making at the National Assembly. It is hoped that it will address this issue.

Conclusions

The imperative for a worldwide convergence of valuation practice standards is underscored by the

cooperation, support and commitment which have extended the IVSC in the making of the IVS. The IVS as drafted by the IVSC has been adopted as national standards for some countries, adopted within national standards of some, and yet in others endorsed as one of practice standards. Nigeria as an emerging economy has not yet matured nor developed the requisite legal and financial reporting practice on which the IVS is based. The NIESV and ESVARBON are expected to provide some guidelines as to the context in which the national standards relate to the IVS. Only then would it be rational for Nigerian practitioners to adopt the IVS.

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