EXAMINATION OF CLIENT INFLUENCE ON RESIDENTIAL AND COMMERCIAL PROPERTY VALUATION IN ONITSHA, ANAMBRA STATE, NIGERIA

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Abstract

The study examined client influence on valuation of residential and commercial properties in Onitsha metropolis, Anambra State, Nigeria. In carrying out the study questionnaires were administered to professional Estate Surveyors and Valuers practicing within the study area in order to obtain relevant data. Ninety-six (96) completed questionnaires were retrieved, and the data collected presented in frequency and percent tables, while validation of hypotheses were analyzed using the Chi-square test method. The study resolved that there are significant levels of influence by clients on valuers during valuation of their residential and commercial properties in Onitsha which has resulted in some effects such as not being able realize such values during actual property transactions, variations in valuation opinions by different valuers on same property, etc. These however, can be curbed through strict enforcement and monitoring of adherence to the uniform valuation standard of the Estate Surveying and Valuation professional body by valuers.

Keywords: Valuation, Client influence and pressure, Residential and Commercial properties

Introduction

It is common to find the term 'influence' is used interchangeably with terms such as 'pressure' in literatures. These different terms, however, were intended to refer to the same issue; clients' specific actions to change property valuation outcomes. How this is actually accomplished by clients may have justified the use of different terms. For example, pressurizing valuers may be just one of the ways clients use to try to influence a valuation. 'Pressure' may come in many forms, from withholding payment to the threat of not giving future instructions to the valuation firm. On the other hand, 'influence' appears to mean the end result or the actual effect; that is whether the valuation has actually been biased or diverged as a result of

these pressures. Therefore, the expression 'influence' represents a broader and more appropriate concept than 'pressure'. The use of the term 'influence' also broadens the focus of client influence on the valuation process rather than just the final outcome.

Property valuation performs an essential function in the property market by serving as surrogates for transaction prices (Hansz & Diaz, 2001). The valuations provide advice on prospective purchases and sales and also, provide information underpinning the property investment decisions. Therefore, valuations are central to all performance indices and the investment market in property cannot operate unless reliable valuations are produced (Havard, 2001).

The valuers by virtue of their professional qualification are liable to carry out valuations and arrive at value estimates that are concise, precise, objective and credible. When preparing a valuation, valuers do not operate with perfect market knowledge, they must follow client instructions, make judgements, analyse information and respond to different pressures and all these factor influence the final valuation figure. Valuation therefore, is regarded as very imprecise activity (Amidu & Aluko, 2007)).

In Nigeria, Estate Surveyors and valuers have been faced with embarrassing situation that tested the credibility and the validity of valuation process and methods employed (Babawale, 2012). Unfortunately, no attempt at determining the value of property or goods is free from subjectivism, it is evident that the twin problems of inaccuracy and inconsistency (variance) in the valuation practice exist in Nigeria. Even in developed countries such as Britain, Australia, Canada and USA, the valuers' estimates, methods and processes have been increasingly criticized for over the past thirty years as clients seek advice in increasingly sophisticated investment markets (Babawale & Ajayi, 2011).

Studies in Nigeria, South Africa and Tanzania have revealed the existence of client influence on valuers to bias valuation. Evidences also exist in, Taiwan and Singapore, the UK and New Zealand. In some of the early influence, surveys in the US found widespread incidence of influence on residential and commercial appraisers. Sado, Onyejiaka, and Emoh (2017) reviewed that 80% of US appraisers had clients who pressured them to modify their valuations with over 33% having clients who insisted on the modifications. These studies found that clients use means such as information and threats to influence valuers. Clients have motives such as minimising the effect of valuation on client company's income statement and net asset value and ensuring that valuations represent the client's preferred outcome to influence valuers. Similarly, valuers have the means (inherent uncertainty in valuation), the motives (economic dependence) and

opportunities to bias valuations in response to or in anticipation of client pressure. Valuers actually bias valuations in response to client influence (Wilkens, 2014).

The Appraisal Institute of Canada (2010) stated that client influence challenges the integrity of the valuer. Similarly, client pressure and its effect on valuer independence have broader implications for the credibility of reported values of listed companies and ultimately confidence in related capital market. In the same vein, there has also been a focus on the seeming inability of valuation estimates to accurately represent/interpret market prices or serve as a security for bank loans. Babawale and Omirin, (2011) observed that valuers do not operate with perfect market knowledge while valuers in many instances follow clients' instructions, analyze available information, make judgments and respond to different pressures from stakeholders when preparing a valuation in a market atmosphere of heterogeneity. However, the study of valuation accuracy should be a continuing one as is the case in the United Kingdom (UK) where the RICS of late teamed up with the Investment Property Databank (IPD) to produce investigations into valuation accuracy in Britain on a two (2) yearly basis.

Valuers' perception of the effect of client influence on their practice may influence their response to it. Nwuba, Egwuatu & Salawu (2015) found that Nigerian valuers perceive that client influence has negative effect on valuation practice. The findings showed that valuers agreed that client influence reduces the integrity of the valuers and the valuation profession, limits the development of the profession and brings the valuer's expertise to question.

However, client influence depends on several factors. These factors include the characteristics of the valuer and valuation firm such as the age and experience of the valuer, the size of the firm, the integrity of the valuer and the integrity of the valuation firm; the characteristics of the valuation environment such as the regulatory framework; the characteristics of the valuation such as the purpose of valuation, and the characteristics of the client such as the type and size of client. (Achu, Chin, Burhanb, & Nordin, 2015). Understanding how valuers' perception runs across these characteristics is important to dealing with the problem of client influence.

The effort in this work will accordingly be the study of valuation accuracy and consistency and the factors influencing their occurrences. Accordingly, the present study intends to take into effect the examination of client influence on valuation value of both residential and commercial properties using a case study of Onitsha.

Statement of the Problem

Influence simply means the power to affect the way someone do things or alter the normal procedure through which someone would have done things without using direct force or orders. The property valuers operate in an environment which exerts influence on the final result of valuation, meaning that there is a genuine risk that valuation may be compromised as a result of interference from clients (ordering parties of valuation reports), and also as a result of the conduct of the valuers themselves.

Property valuation is expected to be performed as an independent process to clients, property owners and prospective buyers or lenders. Valuers ideally would not show bias to any of the above parties as most valuations are done to obtain independent opinions or value of a property but either of the parties may provide additional information during the process of valuation.

The relationship between the property valuer and the client as a way of influencing values has caused significant global interest, and these influences on valuers by clients have been researched. Ethical considerations towards valuation practice and the accuracy in valuation outcomes resulting from these ethical considerations have been studied internationally. When these values are breached, the consequences can be detrimental to the industry, negatively influencing the industry and the intention to achieve accuracy among valuers. In Anambra State, most valuation jobs are commissioned in Onitsha than in other towns. This is because the main market which is the largest market in Africa is located in the heart of Onitsha. Many valuations exercises are carried out there and many business men often approach commercial banks for loan using their properties as collateral, hence the need to avoid any form of influence in valuation. There have been undocumented cases of clients (property owners and bank) inducing valuers to overvalue. However, research is based on facts and findings, hence the need to carry out this study in Onitsha were most valuation jobs are commissioned especially for mortgage purposes. Despite many valuation exercises in Onitsha, there is still paucity of research on examination of client influence on residential and commercial property valuation in Onitsha metropolis.

Aim and Objectives of the Study

This study is aimed at examining client influence on valuation of both residential and commercial properties in Onitsha metropolis. Its objectives include:

i. To find out if there is influence from clients on valuers in their valuation opinions of residential and commercial properties in Onitsha;
ii. To examine the types of influence from clients in Onitsha;
iii. To examine the effects of the influence on valuation opinion in Onitsha

Research Questions

The following research questions were raised in order to facilitate adequate investigation into the study:

i. Is there influence from Clients on the Valuer in the determination of residential and commercial properties in Onitsha metropolis?
ii. What are the types of influence from Clients in Onitsha metropolis?
iii. What are the effects of such influence on Real Estate Valuation opinions and practice?

Research Hypotheses

H_{01}: Clients do not influence valuers' opinion in Onitsha metropolis.

H_{02}: Client influence does not have significant effect on valuers' opinion in Onitsha metropolis.

Literature Review

Concept of Client Influence

Client influence refers to clients' intervention in valuation to influence valuer's judgment to bias valuation. This refers to the power to change valuer's judgement especially the power to cause change without directly forcing those changes to happen. In recent years, studies have established that valuation estimates are likely to be biased estimate of market values due to client influence. Crosby (2010) described it as manipulation of the appraisal production process by the client with the aim of systematically biasing appraisal outcomes. In the literature, client influence is used as synonymous with client pressure. Also, the literature often uses client feedback synonymously with client influence. Client feedback often amounts to influence (Gallimore & Wolverton, 2000).

Clients may intervene in valuation process ostensibly to make inputs that will aid the valuer arrive at a credible valuation. This is necessary because often clients possess information relevant to valuer's work. However, sometimes clients misuse their information power and turn intervention to aid the valuer to interference to bias valuation. Findings demonstrate that information such as pending mortgage amount (Hansz,

2004) and pending sales price (Gallimore & Wolverton, 2011) produce bias on valuers. Transaction feedback tends to influence valuers' judgment in unrelated future valuations (Hansz & Diaz, 2001).

Clients have motives to influence valuers. For instance, in New Zealand, findings revealed that the concerns for valuations to have market credibility and be realistic and accurate motivate clients to influence valuers (Levy & Shuck, 2005). This may appear rational but often, especially in less developed markets, there is ulterior motive to shift the valuer from objective valuation. The practice in the UK in which valuations go for negotiation and possible moderation before formal submission improves the quality of valuation through enriched information, but it is susceptible to abuse resulting in biased and less valid valuation (Baum *et al*, 2000).

Likewise, valuers have motives such as corruption and indiscipline in the society and fear of losing their clients to succumb to client influence (Nwuba, 2015). Appraiser incompetence and desire to place profit above practice standards are also motives for biased valuations (Sado *et al*., 2017). Similarly, Levy & Schuck, (2005) stated that the highly competitive nature of the valuation market might make the valuer to succumb to pressure so as to obtain more briefs.

Client influence affects valuation practice in some ways. It results in valuation bias. Valuation bias affects valuation accuracy and might imply mortgage financing risks. Client influence is one of the causes of valuation inaccuracies in Nigeria (Ogunba & Iroham, 2010). McGreal, Brown, & Adair (2010) found that client feedback is highly significant in altering US appraisers' role perception. In contrast, similarly modelled researches in the UK (Gallimore & Wolverton, 2000) and Nigeria (Amidu, Aluko, & Hansz, 2008) did not find the role perception of valuers to be associated with client pressure. Differences in the valuation environment may be responsible for the contrasting findings.

In addition, Amidu and Aluko (2007) found that Nigerian valuers perceive that they are more likely to resist client influence if they are employed by big and well- established firms. On the other hand, the valuers agreed that a firm which earns a large proportion of its income from a single client would likely succumb to pressure from that client. The researchers argued that the bid by valuers to retain their clients in a competitive market could increase the valuers' tendency to yield to pressure. Likewise, in Taiwan and Singapore, Chen and Yu (2009) found that valuers perceive that larger and more-established firms and firms not under pressure for work are in better position to resist client influence. Also, in New Zealand, Levy & Schuck (2005) found that younger valuers tend to be more methodical in their approach to valuation and might therefore require more evidence

before they could modify their valuations. Thus, valuer characteristics can affect different aspects of client influence.

Clients have motives to influence valuers and they sometimes actually influence valuers to bias valuation. Valuers also have motives and opportunities to succumb to client influence to produce biased valuations. Valuers perceive that client influence affects valuation practice in several ways including decreasing the integrity of the valuer and the integrity of the valuation profession and questioning the expertise of the valuer. Client influence itself is affected by various valuer characteristics such as experience and age of the valuer and the size and level of establishment of the valuation firm where the valuer works. Understanding how valuers' perception of the impact of client influence on their professional practice runs across these characteristics is important in dealing with the problem of client influence.

Types of Influence adopted by Clients on Valuers

Hansz (2004) identified reward power which he defined as “an individual’s ability to provide material and nonmaterial rewards to other individuals” as one of powers often adopted by clients in an attempt to achieve their desire result. He also identified coercive power which he described as “an individual’s ability to provide material and nonmaterial punishments to others” as one of potent powers often resorted to by some clients in achieving their desire results. The use of coercive power has been noted by a number of authors in the auditing industry particularly in the area of “opinion shopping”. Opinion shopping has been defined as the “practice of seeking an auditor willing to support a proposed accounting treatment designed to help a company achieve its objectives even though doing so might frustrate reliable reporting” (Havard, 2001). Opinion shopping is not a search by a client for the right answer, but seeking for the answer the client wishes to hear.

Wilkens (2014) reported that the use of opinion shopping was prevalent in the US valuation industry where he found that valuers were sometimes coerced by clients threatening to employ other valuers who were prepared to give them the reported value they desire. Gwin, & Maxam, (2002) also found evidence of clients seeking the view of successive valuers until one is found that will come up with the valuation figure they need. This practice has serious implications for valuer independence and the credibility of the valuation profession as valuers are threatened with the probable loss of a contract and possibility of losing further works if they fail to dance to the tune of such clients.

There are a number of other threats or coercive/reward tactics that are cited in the valuation and auditing literature including; the promise of more work, decrease in the number of assignments, the addition to an approved valuation list, threat of court action, refusal to pay the fee, monetary incentives to produce the desired outcome, blackmail and the loss of a contract (Gwin & Maxam, 2002).

Hansz (2004) identified information power which he defined as "an individual's access and control of information" as one of the most important source influence often resorted to by clients in the valuation process since valuation process relies heavily on the flow of information from a client to the valuer. He discovered through study situations where clients deliberately withheld certain information perceived by such clients as detrimental to their preferred outcome from valuers while highlighting the positive attributes of the property being valued.

From the above discussion, it is possible to conclude from past researches that depending on clients' background characteristics, valuations are susceptible to different levels of client influence.

Sources of Clients Pressure and Influence

There are various sources of pressure and influence that can emanate from clients which can broadly be grouped into individual and corporate sources or private and public sector sources. However, Yu (2002), cited in Sado *et al*. (2017), carried out a research titled "Client Pressure in Residential Valuation" enumerated the following sources of client pressure and influence according to different class groups:

a) Private Individuals

These could be persons or families who own (hold) various interests in land and landed properties and may require valuation opinions of their properties at different occasions for various purposes. They are mostly owners of residential properties and may require valuation opinions for sale, mortgage, insurance, etc.

b) Banks

These are formal financial institutions established for the provision of savings and deposits accounts, mortgage for borrowers who require bespoke products and loans to finance their investments. Banks as clients of valuers for valuation opinions are basically interested in influencing such valuers to producing a reduced value opinion of collateral properties in order to be secured in the loan repayment ability by the borrower (mortgagor). However, Banks may also attempt to attract borrowers to acquire loan from

them by pressuring the valuer to influence the valuation opinion to a desired higher amount to favour the borrower's financial facility need especially where they are dealing with a big client.

c) Investment Companies

These could be set up specifically to service a particular area of the economy, in this case, property investment. They provide loans and financial aids to property investors and as such would also require valuation opinions of properties referred or an appraisal of a proposed property development or acquisition, by their customers, and can influence valuers as such.

d) Insurance Companies

These are financial institutions basically set up to provide insurance cover to properties of individuals and private bodies. They require valuation opinions to be determined by valuers for the properties they are to cover against any unforeseen natural or artificial peril. This is required to determine the insurance value (either on indemnity or reinstatement basis) of the property and as such the premium payable by the insured. This makes them one of the client groups that can influence valuers in their valuation opinion determination in their favour.

e) Developers

These could be individuals or a corporate bodies interested in carrying out the construction of a property. They usually require the cost value opinion of such endeavour and exert pressure and influence on the valuer during the procedure of determining the valuation opinion needed.

f) Housing and Development Board HDB)

These are public sector bodies/agencies/parastatals set up to develop and manage public (government owned) properties and as such require the valuation of such properties from time to time for different purposes. Pressure and influence experienced from such sources are either politically inclined or tuned towards personal gains of some of the public officers or staff, usually requiring review of valuation opinions by valuers. Generally, valuation opinions of properties are usually tuned to the direction of the interest of the client who requires them.

Effects of Client Influence on Valuation Opinions

Client influence can result to valuation bias. Valuation bias affects valuation accuracy and might imply mortgage financing risks. Client

influence is one of the causes of valuation inaccuracies in Nigeria. Ogunba & Iroham, (2010) found that client feedback is highly significant in altering US appraisers' role perception. In contrast, similarly modelled researches in the UK (Gallimore & Wolverton, 2000) and Nigeria (Amidu, Aluko, & Hansz, 2008) did not find the role perception of valuers to be associated with client pressure. Differences in the valuation environment may be responsible for the contrasting findings. In addition, Amidu and Aluko (2007) found that Nigerian valuers perceive that they are more likely to resist client influence if they are employed by big and well established firms. On the other hand, the valuers agreed that a firm which earns a large proportion of its income from a single client would likely succumb to pressure from that client.

Clients have motives to influence valuers and they sometimes actually influence valuers to bias valuation. Valuers also have motives and opportunities to succumb to client influence to produce biased valuations. Valuers perceive that client influence affects valuation practice in several ways including decreasing the integrity of the valuer and the integrity of the valuation profession and questioning the expertise of the valuer. Client influence itself is affected by various valuer characteristics such as experience and age of the valuer and the size and level of establishment of the valuation firm where the valuer works. Understanding how valuers' perception of the impact of client influence on their professional practice runs across these characteristics is important in dealing with the problem of client influence. Other effects of client influence according to Sado *et al*. (2017) are highlighted below:

1) Over Valuation

The attitude of a client towards a valuation exercise may lead to over valuation which implies that too high a value or price is being assigned to the subject property. Clients may tend to influence the increment of the value from a valuation exercise. For instance, in the event of carrying out sales valuation, the client may influence the decision of the valuer and may decide to inflate the value of the subject property and by so doing the purchaser would pay in monetary terms for the value of the property and also unknowingly pay an additional sum which is not supposed to be. That additional sum included to the said value of the property is as a result of greed on the part of the client and professional incompetence on the part of the valuer. Excess demand over supply is the major cause of over valuation, since many customers are willing to pay for the value of such property, thus inflating the true value becomes an easy means of making extra financial gains or profit as the case may be.

2) Short or Under Valuation of Properties

This can be described as a decrease in the value obtained from the valuation exercise such that the value is presumed to be below the true or intrinsic value. The effects of under valuation in Real Estate is that it subjects such property to being less valuable or less important than it really is. Competition is one of the main causes of short or under valuation. When people tend to strive to gain or win by defeating or establishing superiority over others, they tend to drastically reduce the true value in order to attract more clients and dispose off their commodities, thus leading to ascribing less value and an increased demand by consumers especially those who enjoy consumption of Giffen or inferior goods. This is achieved by fixing a lesser value than that obtained from the value of comparables so as to attract prospective buyers and investors, thereby creating a buyer's market situation (Gazundering).

3) Professional Malpractice

Professional practice constitutes the improper, neglectful functions of a profession. Any action taken in the course of practicing a profession which goes contrary to its standard and ethics of practice is professional malpractice. In Real estate practice, professional malpractice has become the bane of the profession as many surveyors in an attempt to get rich quick employ all sort of systems and gimmicks to cut corners to cheat, deceive and defraud innocent clients to make money. However, professionals are most times pushed to do this from the influence of other clients who promise them one form of benefit or the other, and this occurs in every area of the practice including the determination of valuation opinions of properties.

4) Legal/Litigation Cases

In the course of engaging in the desires of a client, there may arise certain cases of legal issues which may lead to litigation cases. Legal cases which are disputes between opposing parties can be resolved by the court or some equivalent legal process. In each legal case there is an accused and one or more defendants. Litigation on the other hand describes the proceedings initiated between two opposing parties to enforce or defend a legal right. Litigation is typically settled by agreement between the parties, but may also be heard and decided by a jury or judge in court. As such, legal/litigation cases may arise from challenges on the valuation opinion determined a valuer as a result of doubts especially where the value seems unrealistic and possibly influenced. For instance in a mortgage scenario if

the mortgagor (lender) decides to inflate the value of the subject property to be used for mortgage purposes, through the services of a valuer. If the mortgagee decides to find out the authenticity of such valuation claims on the overvalued property, there might be a need for him to be heard in court. The judge may order for a retrospective valuation.

5) Effects on Market Evidence

Due to the fact that value becomes inconsistent (overvalued and undervalued) as a result of the clients' behaviour in influencing valuation opinions, market evidence becomes unreliable. The value of comparable properties can no longer be held true for obtaining the value base for other properties. Vendors tend to ascribe value to properties not based on what it should be but based on negligence and professional misconducts, thereby influencing the investment motives of willing investors, since market evidence is just but a mere figure that cannot be solely relied on but easily overlooked thus giving a shaky stand to Real estate investment in the country. To correct this effect, the onus lies on estate practitioners not to deviate from the basis and purpose of the practice. Everything should be done the right way. Valuation opinions should not be compromised for whatever reason. This gives a strong base of value comparable properties and can be used readily to estimate the value of properties having similar features thus making market evidence not only reliable but also uncompromising.

Research Methodology

The research designs adopted for this study is the Survey research design. This design was used so as to retrieve relevant information from professional Estate Surveyors in Onitsha metropolis. Hence samples were drawn from the population (Onitsha metropolis) to carry out the study about the area, based on the problem of the study.

Population of the Study

The population of study is made up of estate managers, Fellows, Associates and Probationer/Graduate Members of the Nigerian Institution of Estate Surveyors and Valuers (NIESV) practicing within Onitsha metropolis.

Sample Size

The sample size was drawn from the population of practicing professional Estate Surveyors practicing in Onitsha metropolis.

Method of Data Analysis

The study applied both descriptive and inferential statistical methods for the analysis of data which were retrieved through distributed questionnaires. The descriptive statistics is applied for the description of population characteristics and the Likert form responses are analyzed using frequencies, mean and weighted mean with the data presented in tables. Thus any mean score range from 3.0 and above was regarded as positive and accepted. While any score below 3.0 was regarded as negative and rejected. Inferential statistics is applied in identifying the types of influence experienced from clients and its effect on residential and commercial property valuation opinions, thus validating the stated hypotheses, through the use of the Chi-square method of analysis.

Data Presentation, Discussion and Analysis

The data collected from distributed and retrieved questionnaires are presented, discussed and analyzed as follows;

Test of Hypotheses, Analysis and Decision

In this section, the two hypotheses formulated were empirically tested. This was aimed at verifying the validity of the proposition and to find out the relationship existing between the variables under study. Hence, chi-square statistical method, often denoted as X^2 was used to test the research hypotheses.

Thus, $X^2 = \sum \frac{(Fo-Fe)^2}{Fe}$

Where X^2 = calculated chi-square values

Fo = Observed frequency

Fe = Expected frequency

∑= Summation

Data used for the tests were obtained from the responses of respondents to various questions in the questionnaire.

Hypothesis One

H_{01}: Clients do not influence valuers' opinion in Onitsha metropolis.

To test hypothesis 1, data collected from table 2 will be used as follows;

Table 2: Responses on the Influence of Clients on the Valuer in the determination of residential and commercial property values in Onitsha metropolis

S/N	RESPONSES	SA	A	U	D	SD	Mean	Decision
1	Estate surveyors and valuers sometimes compromise their professional integrity by providing valuations to reflect client request	24	32	0	24	16	3.25	Accepted
2	Estate surveyors and valuers or firms earning a large proportion of its revenue from a particular client are always tempted to please the client and thus succumb to client influence	40	31	1	18	8	3.8	Accepted
3	Estate surveyors and valuers or firms undertaken more than one task for a client are always willing to acquiesces with that client to produce unrealistic valuation figure	32	22	4	22	16	3.33	Accepted
4	Estate surveyors and valuers involvement in other consultancy work for a client is likely to influence valuation judgement in respect of that client	40	30	4	14	8	3.8	Accepted

Table 3: Contingency Table for Hypothesis One

Responses	SA	A	U	D	SD	Total
1	24(34)	32(30)	0 (1.75)	24(20.5)	16(12)	96
2	40(34)	31(30)	1(1.75)	18(20.5)	8(12)	96
3	32(34)	22(30)	4(1.75)	22(20.5)	16(12)	96
4	40(34)	30(30)	4(1.75)	14(20.5)	8(12)	96
Total	136	120	7	82	48	384

Table 4: Computation of chi-square distribution Table

Cell	Fo	Fe	Fo – Fe	(Fo – Fe)2	$\frac{(Fo - Fe)^2}{Fe}$
A1	24	34	-10	100	2.94
A2	32	30	2	4	0.13
A3	0	1.75	-1.75	3.06	1.75
A4	24	20.5	3.5	12.25	0.58
A5	16	12	4	16	1.33
B6	40	34	6	36	1.06
B7	32	30	2	4	0.13
B8	1	1.75	-0.75	0.56	0.32
B9	16	20.5	-4.5	20.25	0.99
B10	8	12	-4	16	1.33
C11	32	34	-2	4	0.13
C12	24	30	-6	36	1.06
C13	4	1.75	2.25	5.06	2.90
C14	24	20.5	3.5	12.25	0.58
C15	16	12	4	16	1.33
D16	40	34	6	36	1.06
D17	32	30	2	4	0.13
D18	4	1.75	2.25	5.06	2.90
D19	16	20.5	-4.5	20.25	0.99
D20	8	12	4	16	1.33
Total					**22.97**

Therefore, chi-square calculated = 22.97
Level of significance = 5% = 0.05
There the critical value X^2 = 21.03

Decision

The decision rule states that null hypothesis should be rejected if the chi-square calculated (22.97) is greater than the critical value of chi-square (21.03), otherwise accept. Since the computed chi-square is greater than the critical value of chi-square, we reject the null hypothesis which states that clients do not influence valuers' opinion in Onitsha metropolis and accept the alternative.

Hypothesis Two

H_{02}: Client influence does not have significant effect on valuers' opinion in Onitsha metropolis

To test hypothesis 2, data collected from table 5 will be used as follows;

Table 5: Effects of the influence on valuation opinion

S/N	RESPONSES	SA	A	U	D	SD	Mean	Accepted
A	It undermines the integrity of the valuation profession	40	32	0	16	8	3.8	Accepted
B	It limits the development of valuation practice	24	32	0	32	16	3.25	Accepted
C	It decreases the importance valuation users attach to valuation outcomes	40	32	0	16	8	3.8	Accepted
D	It brings the valuers' expertise to question	32	24	0	24	16	3.33	Accepted
E	It affects their subsequent valuation decision on the property	32	24	0	24	16	3.33	Accepted
F	It influence valuation judgement in respect of that client	40	32	0	16	8	3.8	Accepted

Table 6: Contingency Table for Hypothesis Two

Responses	SA	A	U	D	SD	Total
A	40(34.67)	32(29.33)	0(0)	16(23.33)	8(12)	96
B	24(34.67)	32(29.33)	0(0)	32(23.33)	16(12)	96
C	40(34.67)	32(29.33)	0(0)	16(23.33)	8(12)	96
D	32(34.67)	24(29.33)	0(0)	24(23.33)	16(12)	96
E	32(34.67)	24(29.33)	0(0)	24(23.33)	16(12)	96
F	40(34.67)	32(29.33)	0(0)	16(23.33)	8(12)	96
Total	208	176	0	128	72	576

Table 7: Computation of chi-square distribution Table

Cell	**Fo**	**Fe**	**Fo – Fe**	**(Fo – Fe)2**	$\frac{(Fo-Fe)^2}{Fe}$
A1	40	34.67	5.33	28.41	0.82
A2	32	29.33	3.67	13.47	0.46
A3	0	0	0	0	0
A4	16	23.33	-7.33	53.73	2.30
A5	8	12	4	16	1.33
B6	24	34.67	-10.67	113.85	3.28
B7	32	29.33	3.67	13.47	0.46
B8	0	0	0	0	0
B9	32	23.33	8.67	75.17	3.22
B10	16	12	4	16	1.33
C11	40	34.67	5.33	28.41	0.82
C12	32	29.33	3.67	13.47	0.46
C13	0	0	0	0	0
C14	16	23.33	-7.33	53.73	3.30
C15	8	12	4	16	1.33
Cell	**Fo**	**Fe**	**Fo – Fe**	**(Fo – Fe)2**	$\frac{(Fo-Fe)^2}{Fe}$
D16	32	34.67	-2.67	7.13	0.21

D17	24	29.33	-5.33	38.41	2.97
D18	0	0	0	0	0
D19	24	23.33	0.67	0.45	0.02
D20	16	12	4	16	1.33
E21	32	34.67	-2.67	7.13	0.21
E22	24	29.33	-5.33	28.41	1.97
E23	0	0	0	0	0
E24	24	23.33	0.67	0.45	0.02
E25	16	12	4	16	1.33
F26	40	34.67	5.33	28.41	0.82
F27	32	29.33	2.67	7.13	0.24
F28	0	0	0	0	0
F29	16	23.33	-7.33	53.73	2.30
F30	8	12	-4	16	1.33
					31.86

Therefore, chi-square calculated = 31.86
Level of significance = 5% = 0.05
Therefore, the critical value X^2 = 31.41

Decision

The decision rule states that null hypothesis should be rejected if the chi-square calculated (31.86) is greater than the critical value of chi-square (31.41), otherwise accept. Since the computed chi-square is greater than the critical value of chi-square, we reject the null hypothesis which states that Client influence does not have significant effect on valuers' opinion in Onitsha metropolis and accept the alternative.

Summary of Findings, Conclusion

Summary of Findings

The findings of the study from the data analyzed revealed that clients influence Valuers in the determination of valuation value in residential and commercial properties in Onitsha metropolis. This is because the estate surveyors agreed that they sometimes compromise their professional integrity by providing valuations to reflect client request.

The findings also indicated that clients influence Valuers in various ways in Onitsha metropolis. The estate surveyors agreed that the influence is done in the following ways; estate surveyors and valuers sometimes compromising their professional integrity by providing valuations to reflect client request, estate surveyors and valuers or firms earning a large proportion of its revenue from a particular client are always tempted to please the client and thus succumb to client influence etc.

The study finally revealed that client influent affect Valuation opinion in Onitsha metropolis. This because majority of the estate surveyors agreed

that client influence undermines the integrity of the valuation profession, it limits the development of valuation practice, it decreases the importance valuation users attach to valuation outcomes, it brings the valuers' expertise to question etc.

Conclusion

This study has examined the effect of client influence on valuation opinions in Ontisha Metropolis. In the course of this research various findings were made concerning the influence on valuation report in the case study area. The result shows that private individuals tend to influence value opinions of residential properties by pressuring the valuers to alter valuation values. The estate surveyors agreed that the influence from clients, pose a significant effect on their value opinions, as many are not able to resist the clients' influence.

The results revealed that the perception of the valuers is the same regardless of the characteristics of the valuer involved. It can be inferred from the results that client influence has detrimental effect on valuation practice. It can also be inferred that valuer characteristics are not important in explaining valuers' perception of the effect of client influence on valuation practice. Any attempt to compromise the requirement to produce an objective and independent value opinion can affect public trust in the profession. This is a worrying sign considering the effects of coercion and threats in the determination of the actual value in question. Research has revealed that the threats from clients are not only in the form of coercive verbal threats but also can be hidden and indirect during client-valuer communication. The effect on the valuer's behaviour can also be subtle, which may have led to the reformulation of the valuation objective from an objective opinion to the one that validates sale price. At worse, values were adjusted to accommodate client needs. Client feedback has also been shown to have some effect on the valuer decision-making in the future unrelated assignments.

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