

# Factors Influencing the Property Valuation Accuracy: A Systematic Literature Review

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## Abstract

Within the context of property valuation practice, the accuracy is intensively concern around the globe. The paper examines fifteen scholarly articles published contemporary to attain the objective of the study. Especially the articles, observed related to both developing and developed market therefore, it is accepted that the study refers the entire global context. This research attempts to evaluate the factors influencing the property valuation accuracy. The study specifically follows thematic analysis to identify, analyse and interpret the patterns of shared meanings within existing literature. Findings reveal that three major factors with its sub variables, influencing the Valuation Accuracy including Expertise of the Valuer, Behavioural factors of the Valuer and External factors and further divided by its own sub variables.

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**Keywords:** *Issues of Valuation, Market inefficiency, Market Value, Real Estate Market, Valuation Accuracy*

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## Introduction

The relevant scholarly articles provide evidences of Valuation issues including Valuation inaccuracies, variances, heuristics and etc. Since the concept of property Market Value closely related to the significant amount of wealth over the world and affects to the economies, proving more accurate services require. Property Valuation concepts, more specifically a Market Value have been researched, conceptualized and defined over the years within both academic and professional worlds. RICS Valuation, Global Standards effective from 31st January 2025, Royal Institution of Chartered Surveyors (RICS) indicated that within its Introduction chapter, there are several fundamental sets of criteria that lead to building and sustain the public confidence and trust in Valuation. Those are consistency, accuracy, objectivity and transparency. (Mooya M. M., 2009) argues that even the most reputable or experienced Valuers finalized significantly different Valuations for the same property. Findings reveal that three major factors with its sub variables, influencing the Valuation Accuracy. First, Expertise of the Valuer which further subcategorized as Highest Academic Level, Use of the knowledge, Progression of the knowledge and Experience of the Valuer. Second Behavioural factors which further subcategorized as Use of Heuristics, Professionalism, and Ethical Behavior and Negligence. Last, External factors and further divided by its own sub variables as Inadequate Market data and Information, Uncertainty and Complexity of the Market, Available Regulatory Framework and Corporation with the Client.

## Objective/s of the Study

To evaluate the factors influencing the property valuation accuracy through a systematic literature review.

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## **Literature Review**

Since the concept of property Market Value closely related to the significant amount of wealth over the world and affects to the economies, proving more accurate services require. (The Economist, 2007) Identified that during the period of 1997-2006 prices of United States' housing have increased by 124% based on economic factors.

(Olufolahan, et al., 2016) & (Abidoye, et al., 2021) justified their study by accepting that the contribution from the group of professionals they have chosen, provided the required outcome as they have the sufficient knowledge about the theories by considering the highest educational qualification they have. (Effiong, 2015) Identified that “methods adopted” is one of the root causes of inaccurate valuations. Therefore there should be a uniform knowledge to put them into the precise manner. Valuer should continuously upgrade their knowledge within this rapidly expanding field (BOYD & IRONS, 2002). (Ajibola, 2010) Identified that “Inexperience in valuation practice” as the major factor contributing to the Valuation accuracy in Nigeria. (Abidoye, et al., 2021) Suggests the “Inexperience of Valuers” is the dominant factor in the context of the Australia and confirms it together with the previous studies done and argues this issue leads to expose clients and end uses to have financial losses.

(Ali, Ling, Sipan, Omar, & Achu, 2020) Mainly discussed about the psychological and behavioural dimensions that effect to the valuation judgments. (Iroham, et al., 2013) Concluded that according to their findings, most often used Heuristic as Availability Heuristic. Anchoring and adjustment Heuristic, Representative Heuristic, Positivity Heuristic are positioned respectively following to that as the situation within Nigeria. (Ssonko, 2010) Added that for fighting against corruption, ethics and integrity are important. (Ali, Ling, Sipan, Omar, & Achu, 2020) Further describes “Negligence and professionalism” is one of the significant elements in behavioural uncertainties.

(Babawale, 2012) & (Asnakew & Amogne, 2021) examined and collaboratively agreed that valuation variations majorly caused by rareness or paucity of property market data/evidences. (Abidoye, et al., 2021) Identified “Uncertain property market conditions”. (Olufolahan, et al., 2016) And (Dangana & Udoekanem, 2023) also places that Nigerian regulatory institution do not sufficiently provide effective regulatory framework to counter the valuation inaccuracy. However within the Australian context (Abidoye, et al., 2021) identified “Ineffectiveness of government regulatory framework” has not significantly affect to the valuation accuracy as this factor ranked fifteenth among twenty factors. . (Achu, 2013) Argues despite heuristics and biases as behavioral influences, recent studies focus on individual may subject to be motived and influenced within the valuation scope and eventually alter the quality and outcome.

## **Methods**

A systematic search was carried out to review existing scholarly literature on the factors that influencing the property valuation accuracy. The paper examines fifteen scholarly articles published contemporary to attain the objective of the study. Especially the articles, observed related to both developing and developed market therefore, it is accepted that the study refers the entire global context. The search was conducted using academic databases accessed through Google Scholar. Keywords used in the search included: ‘Issues of Valuation’, ‘Market inefficiency’, ‘Market Value’, ‘Real Estate Market’, ‘Valuation Accuracy’. Existing scholarly literature was selected based on its relevance to the research topic, methodological suitability. The study specifically follows thematic analysis to identify, analyse and interpret the patterns of shared meanings within existing literature. Accordingly the study was driven by existing scholarly

findings and categorized into common patterns. Then generate initial theme codes. Next step was search for themes and especially the author highlighted three major themes as influencing factors which was then defined for the purpose of this study and further described in the results and discussion section.

## Results and Discussion

The data collected through the qualitative literature review can be presented in a tabulation method in Table 1, to evaluate the factors influencing the property valuation accuracy through a systematic literature review.

VALUE CATEGORY	VARIABLE	REFERENCE	REFERENCE COUNTRY/REGION
Expertise of the Valuer (Knowledge and Experience)	Highest Academic Level of the Valuer	(Olufolahan, et al., 2016), (Abidoye, et al., 2021), (Asnakew & Amogne, 2021), (Ajibola, 2010)	Nigeria, Australia, Nigeria (Lagos Metropolis), Nigeria
	Use of knowledge	(BOYD & IRONS, 2002), (Babawale, 2012), (Asnakew & Amogne, 2021), (Olufolahan, et al., 2016), (Abidoye, et al., 2021), (Dangana & Udoekanem, 2023)	Australia, Nigeria, Nigeria (Lagos Metropolis), Nigeria, Australia, Nigeria (Minna and Abuja)
	Progression of the knowledge	(BOYD & IRONS, 2002), (Asnakew & Amogne, 2021)	Australia, Nigeria
	Experience of the Valuer	(Cheloti & Mooya, 2021), (Asnakew & Amogne, 2021), (Dangana & Udoekanem, 2023), (Ajibola, 2010), (Abidoye, et al., 2021)	Nigeria, Nigeria (Lagos Metropolis), Nigeria (Minna and Abuja), Nigeria (Lagos Metropolis), Australia
Behavioral factors of the Valuer	Use of Heuristics	(Ali, Ling, Sipan, Omar, & Achu, 2020), (Iroham, et al., 2013), (Cheloti & Mooya, 2021)	Malaysia, Nigeria, Kenya
	Professionalism, and Ethical Behaviour	(Ali, Ling, Sipan, Omar, & Achu, 2020), (Ssonko, 2010)	Nigeria, Uganda
	Negligence	(Ali, Ling, Sipan, Omar, & Achu, 2020), (Cheloti & Mooya, 2021)	Malaysia, Nigeria
External Factors	Inadequate Market data and Information	(Babawale, 2012), (Asnakew & Amogne, 2021), (Dangana & Udoekanem, 2023), (Abidoye, et al., 2021), (Olufolahan, et al., 2016)	Nigeria, Nigeria (Minna and Abuja), Australia, Nigeria

Uncertainty and Complexity of the Market	(Cheloti & Mooya, 2021), (Abidoye, et al., 2021), (Dangana & Udoekanem, 2023)	Kenya, Nigeria (Minna and Abuja), Australia
Available Regulatory Framework	(Babawale, 2012), (Olufolahan, et al., 2016), (Dangana & Udoekanem, 2023), (Abidoye, et al., 2021)	Nigeria, Nigeria, Nigeria (Minna and Abuja), Australia
Corporation with the Client	(Ali, Ling, Sipan, Omar, & Achu, 2020), (Achu, 2013), (Cheloti & Mooya, 2021), (Olufolahan, et al., 2016)	Malaysia, World, Kenya, Nigeria

Source: Compiled by Author, (2025)

## Conclusion

This systematic literature review examined the existing scholarly literature on the factors that influencing the property valuation accuracy. As per the table 1, 11 factors were identified and categorized based on four major concepts including Expertise of the Valuer (Knowledge and Experience), Behavioral factors of the Valuer, External Factors. The study specifically follows thematic analysis to identify, analyse and interpret the patterns of shared meanings within existing literature.

Collected data through the qualitative literature review has been presented in a tabulation method in Table 1. The conceptual framework developed involves the existing scholarly studies have been done so far around the world and author has put the maximum effort to identify and define the independent variables that affect the accuracy of the Market Value of the property.

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