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A SEARCH FOR RECENCY PHENOMENA IN NIGERIA VALUATION PRACTICE

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ABSTRACT:

Valuation as a function of the human decision making process is influenced by the available information assessed by valuers. There is a notion that people are sequential information processors with limited capacity. Such interplay of sequence of information has resulted to the recency phenomena as posited by Einhorn and model (1985). In essence, greater weight is given to evidence processed later in the sequence than to evidence processed earlier. This study adopted an empirical exploration with an approach in principle somewhat comparable to Gallimore's (1994) and Keung (2006) in a bid to discovering the existence of recency phenomenon amongst Nigerian valuers. A stratified random sampling technique of 158 Estate Surveying firms in Lagos Metropolis; with a qualitative analysis employed coupled with a student T-Test and an F-Test of significance (ANOVA) reveals that Nigerian valuers are rather prone to the positive effect as against the recency effect discovered in earlier researches in the UK and Hong Kong respectively. The researcher thereby opines that a comprehensive data bank be instituted and managed by the supervisory bodies so as to guide against errors in Nigerian Valuation practice.

Keywords: Recency, positive effect, valuation, information, evidence