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FACTORS INFLUENCING PERCEIVED VALUE OF RESIDENTIAL PROPERTIES IN FREE STATE PROVINCE, SOUTH AFRICA

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Various factors influence the value of property and may differ between the different stakeholders in the residential property market. Limited research focuses on the concept of perceived value and how it differs between the professional valuers, real estate agents and homeowners. The aim of this study is to determine the factors that increase the value of residential properties as perceived by homeowners, real estate agents and professional valuers. The study adopted quantitative data, collected through questionnaires distributed among homeowners, real estate agents and professional valuers. Both descriptive and inferential statistics were adopted for data analysis. The results of the study indicated that different stakeholders in the property industry perceive the factors that affect the value of residential properties differently. Professional valuers are far less likely to allocate great importance to single factors that may have an influence on residential property. The results also indicated that certain individual factors that affect property values are perceived as being more important than others by the different groups. Based on the results, it is recommended that concepts such as perceived value are included in training programs for professionals to better understand factors that homeowners perceive as value adding to their properties. Future research can investigate the reasons why certain factors are valued differently by the different groups and how gender influences the perceived value of residential property.

Keywords: homeowners, professional valuers, property value determinants, real estate agents, residential property

INTRODUCTION

Value is a multifaceted construct, influenced by numerous factors (Australian Property Institute [API], 2015). A factor that plays an important role in the determination of the value of residential property, is the individual conducting the valuation (API, 2015). There are many different role players in the property market with diverse knowledge, experience and qualifications and thus different perceptions of valuations can be expected (API, 2015). Professional valuers base their valuation on expert conclusions that are based on market evidence and

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proven methods (Blackledge, 2017). Real estate agents equally base their valuation on market evidence, but are however, limited with regard to different valuation methods and types of properties (API, 2015). While homeowners are constrained to make a professional valuation of a property because of their subjectivity and lack of knowledge, homeowners however, subjectively estimate the value of their property based on their perceived value of the property (Lundgren, 2013).

According to Sánchez-Fernández and Iniesta-Bonillo (2007), perceived value is a multi-dimensional construct that exists between the consumer and product, influenced by personal, situational, preferential, perceptual and cognitive affective aspects. As value is influenced by personal aspects, it is possible for homeowners to overestimate the value of their property (Van der Cruijsen, Jansen, & Van Rooij, 2018). Van der Cruijsen et al. (2018) emphasize the importance of homeowners to be knowledgeable about the "true" value of their home, as opposed to their perceived value, as it might influence their financial decisions, including household spending and saving decisions.

Most homeowners also frequently have misconceptions when they are in the process of selling their home (Forbes Real Estate Council, 2018). Sometimes homeowners in a bid to increase the sales price of their property, make alterations and improvements, and these improvements rarely add value to the property (Forbes Real Estate Council, 2018). Homeowners also perceive their home to be more valuable due to sentimental ties to the property which might not align with the market value (Forbes Real Estate Council, 2018). Conversely, home buyers make property valuations based on the property's physical conditions and the available market information (API, 2015). A home buyer can also pay significantly higher for a property with attributes that they highly value (Adetiloye & Eke, 2014). The foregoing presupposes that property is valued by potential/existing homeowners based on subjective estimates and such estimates differ from that of real estate agents and professional valuers (API, 2015). Property valuation is a complex process that should only be formally undertaken by professional valuers, real estate agents on the other hand tend to often make estimations of property's market price based on their market experience (API, 2015).

The key problem therefore is that homeowners naturally run the risk of overestimating the value of their property (Benitez-Silva et al., 2015; Van der Cruijsen et al., 2018; Windsor, La Cava, & Hansen, 2015). When homeowners overestimate the value of their property, it can lead to poor economic decisions, such as household spending and saving decisions in the long term (Van der Cruijsen et al., 2018). Furthermore, homeowners might invest and modify their home before selling, believing that these improvements/alterations may increase the value of their property and therefore the final selling price (Forbes Real Estate Council, 2018). This can potentially place the homeowner in a weaker financial position than prior to the improvements. A study investigating the ability of homeowners to accurately calculate the value of their property found that homeowners overestimated the value of their homes with a range of 3,4% - 12,7% (Benitez-Silva et al., 2015). Windsor et al. (2015) similarly found some positive bias among homeowners when valuing their homes and a positive correlation between overestimation and financial spending. The perceived value is therefore a construct that is based on subjective assumptions and can differ among different role players

in the property market (Lundgren, 2013). Therefore, this study identified the need to investigate how homeowners 'perceptions differ regarding key factors which they perceive as the most important for increasing the value of residential properties as compared to professional valuers and real estate agents.

Literature search suggests a dearth of studies in the South African property market examining the factors that contribute to the value of residential properties from the viewpoint of homeowners, real estate agents and professional valuers. Given the role of housing on the regional economic growth in South Africa (Simo-Kengne, Bittencourt, & Gupta, 2012), a need exists to conduct market specific studies to investigate different factors that influence property value from the stakeholders perspectives. Towards this end, this study investigates varaitions in the perceptions of homeowners', estate agents and profesinal valuers regarding key factors which they perceive as the most important for increasing the value of residential properties.

LITERATURE REVIEW

The literature review examined two main discussions. While the first subsection discussed the perceived value, the second focused on the factors influencing residential property value

Perceived value

Value is a multifaceted construct, as value is not inherent to the product, but changes according to various influential factors (API, 2015). The value of a product, in this case property, can therefore change over time and can be considered a subjective opinion, and not a fact (Blackledge, 2017). Value is a complex, multi-dimensional construct that is found within an interaction between the consumer and a product (Sánchez-Fernández and Iniesta-Bonillo, 2007). It is also influenced by various factors such as personal, situational, preferential, perceptual and cognitive affective aspects (Sánchez-Fernández & Iniesta-Bonillo, 2007). There is a difference between the developer's perception and the consumer's preference with regard to value (Rahadi, et al., 2012). The concept of perceived value is therefore idiosyncratic, as different individuals have different meanings when referring to value.

The process of valuation is defined by the API (2015) as "the act or process of developing an opinion of value". This process includes using data, analytical techniques and applying knowledge, experience and professional judgment. The opinion of the valuer is therefore based on expert conclusions that are based on market evidence. Professional services are needed with the valuation process as the determination of the value of residential property is a complex process, influenced by law, location construction and condition (Mackmin, 2008). Experience and education are therefore needed to make a qualified estimation of value (Mackmin, 2008). An estate agent can provide a valuation for the potential seller, in order to ascertain a buyer but it is not guaranteed that the estate agent will use a professional qualified valuer (Mackmin, 2008). Real estate salespeople and agents develop expertise in valuation; however, they might not base their findings on the factors that professional valuers include (API, 2015).

Homeowners will inevitably estimate the value of their property. However, such estimation of the value is not always correct (Agarwal, 2007). Van der Cruijsen et al. (2018) found homeowners to have an optimistic estimate of their property. Van der Cruijsen et al. (2018) postulates that psychological explanations for the misestimation include theories such as loss aversion or an endowment effect, where the homeowner will over-value their property. The inaccurate estimation of value can also be due to the lack of information (Henriques, 2013). Over estimation of value can also happen even if homeowners are well informed (Van der Cruijsen et al., 2018). If a homeowner overestimates the value of their home, it can lead to poorer important economic decisions, including household spending and saving decisions, leading to negative consequences (Van der Cruijsen et al., 2018). It is also important for homeowners not to overestimate the value of their home, as it might lead to high asking prices when selling their home, which can delay the selling process (Van der Cruijsen et al., 2018).

Wang et al. (2004) state that clients perception of value, when used correctly, can be applied as an approach to enhance competitiveness, attract and retain customers. Zauner, Koller, and Hatak (2015) adds that consumer perceived value can be incorporated and used in business models, including in areas such as marketing and management. Consumer perceived value can therefore be regarded as a competitive advantage in practice (Zauner et al., 2015).

Factors influencing residential property value

Various factors that increase a property's value are discussed in the literature. These factors may be referred to as property value determinants (Abidoye et al., 2016; Mackmin, 2008). Various studies investigated the different conditions and external and internal factors that plays a role in the perceived value of residential property. Źróbek et al. (2015) presents a summary of the attributes developers consider as important in the residential property market. These attributes include the physical conditions, distances to markets, the opportunity for employment, neighborhood factors, the availability of health care and recreational areas, among others. In the study of Carnoske et al. (2010) realtors indicated various factors that influenced potential purchases. These factors included, but not limited to, perception of affordability, level of neighborhood safety and standard of neighborhood schools.

Location is an important factor that forms part of the value determinants of property. Various studies, including Abidoye et al. (2016) found location to be the most highly valued factor when residential decisions are made. Romkaew (2001) explains that the link of location and the perceived value of the residential property is determined by how well the neighborhood characteristics fulfill the needs of the residents. An example is provided where single families requires access to schools, shopping and employment centers (Romkaew, 2001). Location is emphasized by Coffee et al. (2013) to be the determinant that adds the most value to residential property. The study of Teck-Hong (2011a) also found that the value of residential property increased with location and accessibility, specifically the distance to the workplace, hospitals and public transport. Ferlan et al. (2017) investigated factors influencing the appraised value of residential properties as perceived by different experts. Their findings were that the location in relation to the distance from the city center was the factor that influenced value the most.

Structural attributes of residential properties can play a significant role in the value of property (Dziauddin & Idris, 2018). Structural factors can include, among others, the number and size of rooms (bedrooms and bathrooms), the age and size of the property, fire places, and swimming pools (Oloke et al., 2013). Teck-Hong (2011b) also includes flooring and tiling as structural attributes. Aliyu (2012) states that the value of residential property is determined by structural components of the building, where structural components such as flooring, the type of roof, finishes and decorative aspects can add value to a property. In comparison, properties without these attributes may be viewed as less valuable (Aliyu, 2012). Studies found various factors that increased perceived value, for example functionality and spaciousness (Kauko, 2006), natural daylight and a well proportional layout (Lundgren, 2013) the size, number of bathrooms, location, an environmental attribute (Choudhury, 2017), flooring and finishes (Teck-Hong, 2011b), "green" amenities, including solar and wind power and sealed windows (Carnoske et al., 2010). The state of repair of a property can include aspects such as the finishes and aesthetics of a property. This was found to be an important variable of determining the value of residential property in the study of Abidoye et al. (2016). Ferlan et al. (2017), included, amongst other factors, the residential property orientation, noise level, floor level and the age of the building. The age of the property was found in the study to have had a negative influence on the property value.

Neighborhood characteristics can play a significant role in the value of property (Abidoye et al., 2016; Matthews & Turnbull, 2007). Potential home buyers will develop expectations for their new residential property based on their observations about their image of the neighborhood, which includes the location, availability of amenities, transport and various facilities (Lundgren, 2013). As an example, the quality of the surrounding environment was found in Źróbek et al. (2015) to significantly influence the value of property. Neighborhood factors can include estate plans, infrastructure development, and security (Oloke et al., 2013). Drewnowski, Aggarwal, Rehm, Cohen-Cline, Hurvitz, and Moudon (2014) found that if the neighborhood were perceived as safe, quiet, clean and attractive, the property values were higher. Park facilities also may contribute to the property values, where passive recitation with recreation space, water features and gardens were found to add to value in the study of Lin, Wu, and Sousa (2013). Respondents from the study of Źróbek et al. (2015) identified a sense of security as a factor that were valued by property buyers. A quiet neighborhood, high scenic value was also highlighted. Being able to relax in the neighborhood and feeling safe had the highest impact on the customer perceived value in a study conducted by Lundgren (2013). Other factors such as poor conditions in a neighborhood, including rundown building exteriors, lawn problems, lack of street and walkway maintenance was also found to be associated with declining sales prices (Seo, 2018) as was pollutant emissions, noise and externalities that are produced by heavy infrastructures (Cordera, Chiarazzo, Ottomanelli, dell'Olio, & Ibeas, 2019).

There are numerous reasons why knowledge of these property value determinants are important. Determining what factors is viewed as increasing the value of residential property can be used by real estate experts to make adjustments to sale prices and determine the influence of various factors with more certainty (Ferlan et al., 2017). Also, if it is known what the preferences is, or the factors that influence the choice of residential property, this knowledge can be incorporated in the

design of residential property. Urban planning could be based on these factors and can indicate which factors must be prioritized (Źróbek et al., 2015). Furthermore, Teck-Hong (2011a) agrees that it is important for housing developers to have detailed knowledge of preferences of potential home buyers. The reason they provide is that home buyers have different perceptions and opinions of what they consider to be important. A more holistic view of what factors adds value to residential property is therefore recommended (Teck-Hong, 2011a), as it will contribute to residential environments that homebuyer's value (Źróbek et al., 2015).

METHODOLOGY

An empirical study was undertaken which, epistemologically, followed a non-experimental, quantitative methodology, grounded in the positivist paradigm. The study focused on three target population groups: homeowners, real estate agents and professional valuers. Homeowners was selected through a non-probability sample selection method namely, convenience sampling. Real estate agents registered at the EAAB and professional valuers registered at the SACPVP were requested to participate in the study and were also selected through a convenience sampling method. Given the need to ensure equal proportion among the three categories of respondents, and get the best representation of respondents for each category of respondents in the final sample, the number of respondents for each category was selected using controlled quota sampling.

A closed ended questionnaire was used to collect data. An informed consent section formed part of the questionnaire. The researcher provided homeowners, real estate agents and professional valuers each with a questionnaire by means of an online survey and/or by hand. The first section of the questionnaire included the demographic details of the respondents. The second section included a list of factors that are perceived to increase the value of residential properties as based on the literature review. Participants were asked what percentage of the time a change in different factors will affect their view of a house's value by more than 20%. Their responses were indicated on a 6-point scale and included: < 5%, 5% - 25%, 26% - 50%, 51% - 75%, 76% - 95% and > 95%. The list of factors prepared and put forward to the respondents included the following: location; size of the property; state of repair; number of rooms; age of the property; newly painted and tiled; flat roof/pitched roof; neighborhood characteristics; availability of security; and accessibility to a highway. In the last section, participants were asked to rank the ten factors which may have an influence on the value of property in order of importance. Statistical analysis included both descriptive and inferential statistics. Chi Square tests were conducted for each question. Differences in averages were tested with ANOVA tests. The significance level chosen for this study was 0.05. Approval for this study was requested from the ethics committee of the University of the Free State.

The following hypotheses was investigated in the study:

Hypothesis 1

1. H0: Homeowners, real estate agents and professional valuers perceive the factors that affect the value of residential properties the same.

2. H1: Homeowners, real estate agents and professional valuers perceive factors that affect value of residential properties differently.

Hypothesis 2

1. H0: Individual factors that affect property values are perceived to have equal importance by homeowners, real estate agents and professional valuers.

2. H1: Certain individual factors that affect property values are perceived as being more important than others by homeowners, real estate agents and professional valuers.

RESULTS

Respondents Profile

An examination of the respondents 'profile (Table 1) showed that majority of home owners were females (66.7%), the gender analysis of the estate agents showed that females (51.6%) were slightly more than the males (48.4%). However, among the professional valuers, the results revealed that the males accounted for 89.7% while the females were 10.3% of the respondents.

Table 1: Respondents' Profile

Profile		Home owners (n = 30)		Estate Agents (n = 31)		Professional Valuers (n = 29)	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Gender	Male	10	33.3	15	48.4	26	89.7
	Female	20	66.7	16	51.6	3	10.3
	Total	30	100.0	31	100.0	29	100.0
Age	18-29 years	0	0.0	2	6.5	1	3.4
	30-39 years	10	33.3	6	19.4	5	17.2
	40-49 years	6	20.0	7	22.6	10	34.5
	50-59 years	7	23.3	11	35.5	7	24.1
	60+	7	23.3	5	16.1	6	20.7
	Total	30	100.0	31	100.0	29	100.0
Years of Experience in the Property Market	0 years	3	10.0	0	0.0	0	0.0
	1-5 years	14	46.7	8	25.8	3	10.3
	6-10 years	5	16.7	7	22.6	3	10.3
	11-20 years	2	6.7	13	41.9	12	41.4
	20+ years	4	13.3	3	9.7	11	37.9
	No Response	2	6.7	0	0.0	0	0.0
	Total	30	100.0	31	100.0	29	100.0

Analysis of the respondents age showed that most of the respondents across the three categories were aged 40 years and above. Regarding the years of experience of the respondents in the property market, the results showed that while only 10% of home owners have no experience in the property market, 48.4% of estate agents have up to 10 years 'experience. A total number of 79.3% of professional valuers have at least 11 years 'experience in the property market. The results showed that the respondents have some measure of experience in the property market, and should be able to provide reliable responses.

Factors that increase the value of residential property

The data obtained was split by gender, age, experience and population group. A p-value of ≤ 0.05 was accepted as a statistically significant difference between data groups. No statistically significant difference was found when data was split by age and experience. When the data was split by gender, the females rated the influence of the factors on property value to be in general more important than males. In the case of size of property, number of rooms, if property was newly painted and tiled as well as age of property, these were statistically significant at p ≤ 0.05 (Figure 1).

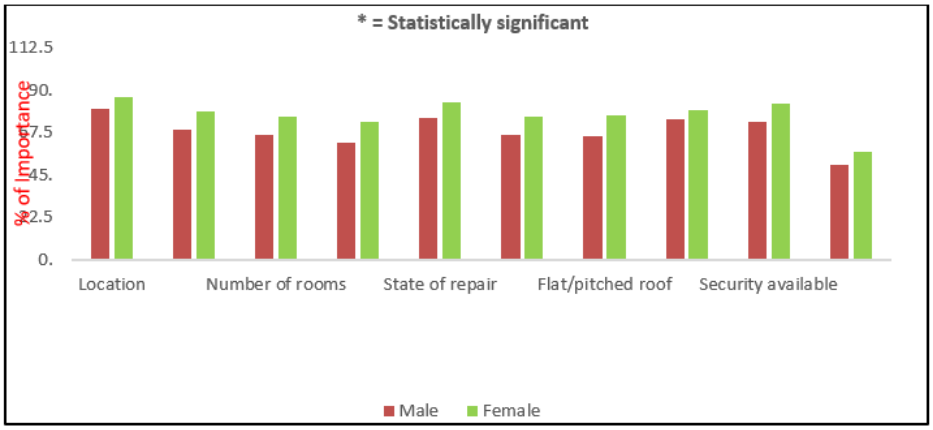


Figure 1: Factors that affect Property value as reported by different genders

The study further sought to evaluate the respondents 'perception on the importance of housing features/characteristics on property values. The analysis was disaggregated based on the population group. When split by population group, professional valuers rated the influence of the above-mentioned factors on property value to play in general a lesser role. This perhaps might owe to the expectation that economic forces have a major role to play in determining property value, as opposed to individual items assessed in isolation. Property attributes that were statistically significant at p < 0.05 are size, number of rooms, age of property, painted and tiled, flat/pitched roof and availability of security (see Figure 2).

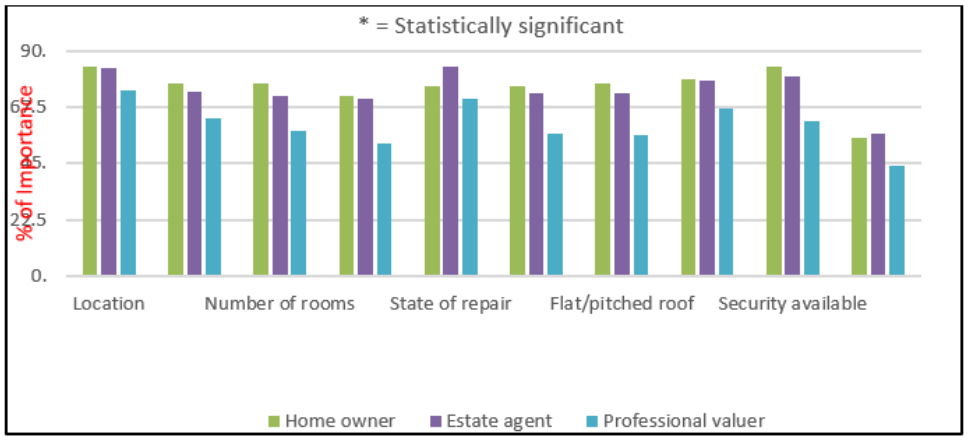


Figure 2: Factors that affect Property value as reported by the population groups

An examination of the modal scores/weightings attached to the features/factors (see Table 2) shows that homeowners rated a 5 point for most of the variables. Only proximity to highway was rated a 3 point. This suggests that home owners expect that these attributes/features significantly translate into increased values

for their property. It thus appears that the homeowners do not give consideration to other peculiar market idiosyncrasies when subjectively assessing the value of their property. Concerning the estate agents, while the least rates feature was proximity to highway (3 points), the highest features were location, repairs and security (6 points). The features/attributes had lower weightage in comparison to the ratings of the homeowners. The differences in the rating might owe to the better understanding of the market peculiarities and factors influencing property values. The ratings of the professional valuers further attributed lower modal scores to the features/factors, with proximity to highways having a modal score of 1, and location, repair and neighbourhood having a modal score of 5. It thus appears that the ratings of the professional are not driven by personal bias, rather a realistic appraisal driven by market fundamentals. Apparently, there are other factors such as cost of development, nature/type of title are some other major issues that attract considerations when estimating market prices/values from the professional perspectives of the property valuers.

Table 2. Scores/weightings attached to the property features

Features		Home owners (n = 30)		Estate Agents (n = 31)		Professional Valuers (n = 29)	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Location	5%-25%	1	3.3	2	6.5	2	6.9
	26%-50%	1	3.3	3	9.7	6	20.7
	51%-75%	5	16.7	2	6.5	5	17.2
	76%-95%	12	40.0	9	29.0	10	34.5
	>95%	11	36.7	15	48.4	6	20.7
	Modal Score	*5*		*6*		*5*	
Size	< 5%	-	-	-	-	1	3.4
	5%-25%	-	-	2	6.5	3	10.3
	26%-50%	4	13.3	4	12.9	9	31.0
	51%-75%	10	33.3	8	25.8	9	31.0
	76%-95%	9	30.0	12	38.7	4	13.8
	>95%	7	23.3	5	16.1	3	10.3
	Modal Score	*4*		*5*		*4*	
Rooms	< 5%	-	-	1	3.2	-	-
	5%-25%	-	-	-	-	5	17.2
	26%-50%	4	13.3	5	16.1	11	37.9
	51%-75%	8	26.7	12	38.7	9	31.0
	76%-95%	13	43.3	9	29.0	3	10.3
	>95%	5	16.7	4	12.9	1	3.4
	Modal Score	*5*		*4*		*3*	
Property age	< 5%	1	3.3	1	3.2	1	3.4
	5%-25%	1	3.3	2	6.5	6	20.7
	26%-50%	6	20.0	5	16.1	13	44.8
	51%-75%	6	20.0	10	32.3	7	24.1
	76%-95%	11	36.7	7	22.6	1	3.4
	>95%	5	16.7	6	19.4	1	3.4
	Modal Score	*5*		*4*		*3*	
Repair	< 5%	-	-	1	3.2	-	-
	5%-25%	2	6.7	1	3.2	2	6.9
	26%-50%	5	16.7	1	3.2	5	17.2
	51%-75%	6	20.0	4	12.9	8	27.6
	76%-95%	8	26.7	11	35.5	12	41.4

Table 2. cont'd Scores/weightings attached to the property features

	>95%	9	30.0	13	41.9	2	6.9
	Modal Score	*6*		*6*		*5*	
	< 5%	-	-	-	-	2	6.9
	5%-25%	2	6.7	2	6.5	7	24.1
	26%-50%	4	13.3	6	19.4	7	24.1
Painted	51%-75%	8	26.7	7	22.6	7	24.1
	76%-95%	8	26.7	9	29.0	4	13.8
	>95%	8	26.7	7	22.6	2	6.9
	Modal Score	*5*		*5*		*3*	
	< 5%	1	3.3	-	-	1	3.4
	5%-25%	2	6.7	4	12.9	5	17.2
	26%-50%	1	3.3	4	12.9	12	41.4
Roof	51%-75%	6	20.0	8	25.8	5	17.2
	76%-95%	14	46.7	8	25.8	4	13.8
	>95%	6	20.0	7	22.6	2	6.9
	Modal Score	*5*		*5*		*3*	
	< 5%	-	-	-	-	-	-
	5%-25%	-	-	1	3.2	5	17.2
	26%-50%	3	10.0	1	3.2	7	24.1
Neighbour hood	51%-75%	8	26.7	12	38.7	5	17.2
	76%-95%	7	23.3	8	25.8	8	27.6
	>95%	11	36.7	9	29.0	4	13.8
	No response	1	3.3	-	-	-	-
	Modal Score	*6*		*4*		*5*	
	< 5%	1	3.3	-	-	1	3.4
	5%-25%	1	3.3	2	6.5	4	13.8
	26%-50%	1	3.3	3	9.7	6	20.7
Security	51%-75%	2	6.7	6	19.4	12	41.4
	76%-95%	13	43.3	8	25.8	4	13.8
	>95%	12	40.0	12	38.7	2	6.9
	Modal Score	*5*		*6*		*4*	
	< 5%	3	10.0	2	6.5	8	27.6
	5%-25%	7	23.3	4	12.9	6	20.7
	26%-50%	7	23.3	12	38.7	7	24.1
Highway	51%-75%	7	23.3	7	22.6	5	17.2
	76%-95%	3	10.0	5	16.1	3	10.3
	>95%	3	10.0	1	3.2	-	-
	Modal Score	*3*		*3*		*1*	

Order of importance of factors that increase the value of residential property

When data was split by gender, females rated number of rooms to be more important than males ($p = 0.00$), while males rated neighborhood significantly higher than the females ($p = 0.00$). Analysis based on age, population group and experience were not significant.

Hypothesis evaluation

When the data was split by occupation, the global hypothesis of no significant difference was rejected. Professional valuers valued the influence of the different factors on property as statistically significant ($p \leq 0.05$) lower than home owners and real estate agents.

Home owners and estate agents valued the size of property, number of rooms, age of property, painted and tiled, flat/pitched roof and availability of security to be

significantly ($p \leq 0.05$) more important than perceived by professional valuers. Therefore, according to this study, certain individual factors that affect property values are perceived as being more important than others by homeowners, real estate agents and professional valuers (H1).

Table 3. Ranking of the level of importance of property features/facilities

Features	Home owners (n = 30)			Estate Agents (n = 31)			Professional Valuers (n = 29)		
	Mean	Std. Dev.	*rank*	Mean	Std. Dev.	*rank*	Mean	Std. Dev.	*rank*
Location	2.27	1.999	*10*	1.45	1.287	*10*	2.00	2.360	*10*
Size	4.00	2.101	*8*	4.06	1.982	*9*	4.07	2.618	*9*
Repair	3.80	2.107	*9*	5.13	2.141	*8*	4.21	1.760	*8*
Rooms	4.67	2.187	*7*	5.35	2.288	*7*	5.66	2.126	*6*
Age	6.07	2.258	*5*	5.97	1.760	*4*	5.79	1.677	*5*
Painted	7.10	1.954	*2*	6.10	1.989	*3*	6.24	1.939	*3*
Roof	6.77	2.459	*3*	6.16	2.818	*2*	7.52	2.198	*2*
Neighbourhood	5.13	2.623	*6*	5.90	2.891	*5*	4.86	2.587	*7*
Security	6.33	2.771	*4*	5.74	2.863	*6*	6.24	2.668	*4*
Highway	8.87	2.030	*1*	9.10	2.055	*1*	8.41	2.994	*1*

An examination of the ranking of the level of importance of the individual features/facilities to the respondents (table 3) showed that homeowners rated highway, painting and roof more highly than other housing features. The mean scores of the estate agents and professional valuers were similar. Both groups rated highway and roof (Estate Agents mean score – 9.10 and 6.16 respectively; Professional valuers mean score – 8.41 and 7.52 respectively) more highly than other features. The least ranked feature across all the categories of respondents was location, this had a mean rank of 2.27, 1.45 and 2.00 for the homeowners, estate agents and professional valuers respectively.

DISCUSSIONS

The concept of perceived value is a multifaceted concept with various influential factors. The results of the study can be interpreted against the literature study. The API (2015) views value as a multifaceted construct influenced by numerous factors, where the individual that conducts the valuation plays an important role. Differences in valuation are explained by the individual conducting the valuation, as the individuals differ with regards to knowledge, experience and qualifications (API, 2015). Based on the findings of the study, professional valuers are far less likely to allocate greater importance to single factors that may have an influence on the value of residential property. This might indicate the propensity of professional valuers to base their valuations on a far broader range of factors, which might include other value determinants, such as economic conditions and comparative analyses, which were not included in the study. The findings from the study corroborates the results of Blackledge (2017) who submitted that professional valuers base their valuation on expert conclusions that are premised on market evidence and proven methods as oppose to individual property attributes/features. This might explain why the results indicated that professional

valuers did not place too much emphasis on the individual factors listed in the questionnaire as a professional valuation requires a holistic approach.

Home owners rated the factors influencing property value in general higher. This finding might possibly indicate that homeowners, due to their subjectivity and lack of knowledge, overvalue their property if it includes certain factors that do not necessarily influence the market value of residential property – as determined by professional valuers and real estate agents. Also, this might lead to a susceptibility of homeowners to make adjustments to their property, incorrectly believing that these factors might increase the value of their building. Homeowners are also prone to subjectivity and do not have knowledge of how to conduct professional valuations. Therefore, estimations of the value of their property are based largely on their perceived value of the property (Lundgren, 2013), influenced by personal, situational, preferential, perceptual, cognitive affective aspects and sentimental ties (Forbes Real Estate Council, 2018; Sánchez-Fernández & Iniesta-Bonillo, 2007). As value is also influenced by personal aspects, it is possible for homeowners to overestimate the value of their property (Benitez-Silva, Eren, Heiland, & Jimenez-Martin, 2015; Van der Cruijsen et al., 2018; Windsor, La Cava, & Hansen, 2015). This could possibly explain why the study found that home owners seemed to rate the factors to influence property value generally higher than compared to real estate agents and professional valuers.

The results of the study also emphasised the role of gender, where the perception of the importance of factors did not differ between groups of occupations, but between males and females, where females rated the number of rooms to be more important and males rated neighbourhood factors significantly higher than females.

The results must be interpreted against the limitations of the study. The small sample size (selected through a non-probability sampling method) might not be representative of the rest of the population - therefore limiting the results to be generalized beyond the sample group. Due to the small sample size, gender was not equally represented in the different occupational groups (only 4 females in the group of professional valuers). The questionnaire included a limited amount of factors that influence the perceived value of residential property.

Due to the limitations of the current study, further studies may be necessary to determine which factors increases the value of residential properties as perceived by homeowners, real estate agents and professional valuers in order to provide guidelines to homeowners to make better economic decisions before selling or buying new property. Reasons why specific factors are perceived as being valuable and/or more valuable than others can also be elicited. Future research can explore how the concept of perceived value differs not only between role players in the industry, but also how it differs between genders.

CONCLUSION

In recent years, the concept of perceived value in the property market is becoming increasingly important. This is because the perceived value of customers can also be used by professional property developers when new projects are planned,

thereby aligning their plans with the values of the customers (Lundgren, 2013). A preliminary literature review undertaken found limited studies that specifically focused on factors that influence the perceived value in the property market. The study therefore adds to the current body of knowledge in the area of valuation to better understand how personal perceptions of different groups might influence the property market. Professional valuers and real estate agents may also use the outcome of the proposed study in training programs to better understand consumers and develop more insights into factors that consumers perceive as value adding to their properties.

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