

CAUSES OF DEPRECIATION IN PROCESS PLANTS IN CEMENT INDUSTRY: ANALYSIS OF THE PERCEPTION OF PRACTISING ESTATE SURVEYORS AND VALUERS IN LAGOS AND OGUN STATES

OKOH, VICTOR P.O.¹, EBI, UCHENNA² & JOHNSON, OLUSOLA O.³

^{1,3}Department of Estate Management and Valuation, Yaba College of Technology, Yaba Lagos, Nigeria

²Department of Computer Science, Project Management Option, Babcock University, Ilesan-Remo, Nigeria

ABSTRACT

This study analyses the causes of depreciation in process plants in cement industries, from the perception of practicing Estate Surveyors and Valuers in Lagos and Ogun States, Nigeria. The objectives set-out are to: identify the different causes of depreciation in process plants; obtain and rank the views of Estate Surveyors and Valuers on the causes of depreciation in cement industry, so as to identify the most significant causes of depreciation; and present a statement of significance of the findings to the practicing Estate Surveyors and Valuers in the study areas. Extant literature was conducted in order to identify the various causes of depreciation; a set of questionnaire was subsequently developed therefrom. A total of 337 questionnaires were purposely administered to the entire population of study, comprising: 317 and 20 Estate Surveyors and Valuers in Lagos and Ogun State respectively. A total of 254 questionnaires was successfully completed and used for the final analysis. This indicates 75.4% success rate of the administered questionnaires. The instrument for data analysis was the Mean Item Score (MIS) and computed with the aid of Statistical Package for Social Sciences (SPSS 20 for Windows). The result revealed that “physical deterioration” is the most significant causes of depreciation in process plants in cement industry; and “wear and tear” is the most significant factor under the physical deterioration group. The study contributes to knowledge being a pioneering work that analyzed the most significant causes of depreciation in process plants in cement industry and equally contributes to the fortifying of the valuation of process plants in the Nigerian manufacturing sector.

KEYWORDS: Process Plants, Perception, Estate Surveyors and Valuers, Depreciation, Cement Industry