

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

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ABSTRACT

This study analyses the causes of depreciation in process plants in the paper industry 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 paper 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. Existing literature was reviewed in order to identify the various causes of depreciation; a set of questionnaire was consequently developed there from. A total of 317 questionnaires were purposely administered to the population of study. A total of 255 questionnaires was successfully completed and used for the final analysis. This indicates 80.4% 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 the paper industry; and “wear and tear” is the most significant factor under the physical deterioration group. The study contributes to knowledge being the lead way study that analyzed the most significant causes of depreciation in process plants within the paper industry and equally contributes to the strengthening of the value of process plants in the industry.

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