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## ASSESSMENT OF PROPERTY MANAGEMENT PRACTICES IN NIGERIA

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### Abstract

*Property management is a part of estate management and very essential in the life-cycle of properties in order to ensure value for money. The objectives of property investment include ensuring that maximum returns are derived in the form of rents or service delivered or both. Effective property management requires planning and ensuring that essential things are put in place before the property is constructed. Property management can be done in-house or outsourced to third parties. Property management is still undefined especially in Nigeria where its management varies among practitioners. It is unorganized and done by various professionals and non-professionals. Property management is covered by Law of Contract and social responsibilities and has little attention in Lease Agreements between the landlords and tenants. This paper will examine the methods of property management and suggests modern methods of property management in Nigeria by exploiting property management practices in some advanced countries.*

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**Keywords:** *Property Management Practices, Estate Management, Physical Assets, Investment Practices*

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### INTRODUCTION

Experienced property investors are generally aware that sound management of their investments is the best tool that can be used to earn maximum returns on investment (ROI). They are concerned about pre-investment analysis of the investment, but the task that consumed majority of their time is the post-investment period of management. Properties control the value we make them to control in an area. Effective property management is the only antidote necessary to generate maximum returns on property investment especially at this period of global economic crunch. Property management is a contractual agreement that exists between a landlord or his agent and property users (otherwise known as tenants or occupiers).

According to Yiu et al (2006) "the property management profession has developed for over half a century, but little attention has been devoted to its definition and origin. This is probably because its definition is too trivial to most people; they would immediately relate property management to security, cleaning, and maintenance of property". Property management is more than the general upkeep of a facility; it includes the contract and the social responsibilities of the owners or their agents to the community. Cheng (1998) regarded property management as "a series of simple operations serving buildings, such as

cleaning the common areas, providing security guards, and maintaining the common areas of building premises and services".

Property management entails looking for tenants, rent collection, property maintenance to make sure that the milieu of properties are intact, dealing with tenants' complaints, paying necessary bills (both statutory and commercial), ensuring value for money, watching over their belongings etc. Property Management means the physical, administrative or financial maintenance and management of real property, or the supervision of such activities for a fee, commission or other compensation or valuable consideration, pursuant to a property management agreement (Nevada State Real Estate Division, 2008). It is the process of managing property that is available for lease by maintaining and handling all the day-to-day activities that are centered around the piece of real estate.

Property management is also necessary in private properties to keep the property in a tenantable condition and good state of health. Internal parts of properties as well as the external parts require proper maintenance to keep their qualities intact and enhance their values. Without programmed property management, decay will set in and property will depreciate in value. Property management can therefore be defined as the process of keeping a property in a good state of health, devoid of decay and in other to enhance the value of the property, yielding optimum returns on investment. A good property manager must be pro-active, sincere, unbiased against the tenants and landlord, knowledgeable and ready to live above board.

Property management may pose as thorn in the flesh if not well approached and is usually the major cause of litigation between parties. The basics of safe property management are the premise of this paper.

#### **LITERATURE REVIEW ON PROPERTY MANAGEMENT**

Cheng (1998) said "property management seeks to control property interests having regard to the short and long term objectives of the estate owner and particularly to the purpose for which the interest is held: to negotiate lettings and to indicate and negotiate rent reviews and lease renewals, to oversee physical maintenance and enforcement of lease covenants, to be mindful of the necessity of upgrading and merging interest where possible, to recognize opportunities for the development of potential and to fulfill the owner's legal and social duties to the community". Though facility management emerged after property management, its operation has not been distinct from that of property management. Their difference, thus appear more as a matter of nomenclature and technically in the scope of facility management which includes other assets that are not real property like roads, rails, plants, machineries etc.

In the past, owners of investment properties are not many. They are banks, investment companies, insurance companies, religious houses, schools and few high net worth individuals who bought or built property for appreciation and rental incomes.

Management of properties posed little challenges as there were fewer investment choices competing with property investment. Nowadays, investors are in the habit of solely relying on their property investments for income. The only way to ensure regular income is through proper management of property.

Poorly managed properties are characterized by worn-down milieu and physically torn properties. They are conspicuous to the naked eyes and attract lower values. "To preserve the investment value of buildings, there is great need for good management" (Li, 1997). Sound property management is also necessary to maintain the value of the property, keep the parts intact and to ensure steady mortgage repayment. Moreover, the only choice for property managers in this era of globalism and information technology is to be up-to-date. "Tenants are now increasingly aware of and concerned about the level of service they receive" (Baharum, 2009).

The ownership structure of property has increased in complexity over the last fifty years. Tenants may sometimes be a clog in the wheel of progress if necessary items are not ticked in the checklist of property management. Grybel-Kloc (2008) reported that "the first signs of the slowing economy are increased unemployment and lower consumption". This slowing economy is already having its toll on the property market. Investors will benefit most if they adhere to the basics of property management and keep the properties in their management portfolios sound and safe.

Housing as a basic need, is usually the first sector to feel the impact of economic crunch and the last to feel the impact of economic boom. Most tenants are feeling the pinch of the economic meltdown and as they are already tied down socially to their area, they may not want to consume smaller properties in their area or go to similar properties in lower branded areas. The result is that many may find themselves having backlog of rents. This does not augur well for sound management of the properties. Tenants generally do not like losing good properties which offer value for money. This means that properties in good and tenantable state will still attract good and steady income.

For management purposes, property can be divided into:

- a) Internal areas, and
- b) External areas.

Depending on the type of property, property can also be divided into:

- (a) Private areas, and
- (b) Common areas.

Private areas are exclusive to a user, while common areas are jointly shared and cared for by numerous users. These include:

- Common walls,
- Roof and roof coverings,
- Chimneys stacks shared with neighbour,

- Gutters and drainage pipes (downpipes),
- Common stairs and access passages,
- Stair windows,
- Stairs and close banisters,
- Solum, the space underneath the lowest floor of a property and the ground,
- Gabbage stores,
- Common path,
- Common garden, etc.

In order for a property manager/ investor to have peace of mind and always laugh to the bank, here are basic things he or she should put in place on his or her investment property (buy-to-let/build-to-let) management check-list:

1. Disclosure check: Conduct background information checks on all aspiring tenants. Do not be sentimental in choosing tenants. Choose from a multitude and do not rush into choosing the first tenant that comes your way. If you cannot get more than one tenant for the property, it shows the advertisement strategy is wrong or that the property letting terms and conditions are not attractive. Advertising has a central role to play in developing brand image whether at the corporate, retail or product level (Meenaghan, 1995). The credit bureaus will also offer help to give the nature of a prospective tenant. There are online tenant screening solutions that can be used to screen tenants before contract. The Nigerian Institution of Estate Surveyors and Valuers (NIESV) can also create a database of tenants profile in Nigeria.
2. Lease, contract or rental agreement should be strong and clear. It should state and establish what constitutes breaches and the penalties that will be meted out in case of breaches by the tenants. Allow premium for short-term lease as long-term lease is better. Saari and Takki (2008) said that "when tenants stay longer in the same facility there is less empty space and less need for alterations by new tenants. Therefore, rental income is higher and alteration costs are lower, which in turn lead to higher profitability of the property owner's business". It will be profitable to involve a solicitor as soon as possible.
3. Get referees assurance that the tenant is reliable and can maintain the property. You can ask a senior member of the tenant's office to act as guarantor for his or her taking the property. Among the crucial factors that are mostly neglected in letting properties is getting second opinion of referee about a potential tenant. His or her workplace, bank manager, head of religious house, friends, associates, former landlord/s, credit bureau, associations etc. will give unbiased opinion on his or her suitability for the property.
4. Insure your property: It is better to take insurance policy on a rent-yielding property. Reputable insurance companies are capable of insuring your property against loss of rent for affordable premium. Always ask for deposit from tenants as security against

breaches of rules like non-payment of rent or damages to the fixtures and fittings. Usually, an amount equivalent to the first month rent called last month rent is collected upfront as deposit. This deposit will help to pay for repairs in case of damages to the property. Deposit should cover envisaged damages by the tenants. If not sure ask for insurance of the property against damages from the tenants. Real estate prices are more volatile in up markets than down markets. Property manager should therefore take note of the higher rate of volatility of higher-priced properties than the lower-priced ones.

5. Prepare a comprehensive inventory list: Inventory is the total amount of goods and/or materials contained in a house, store or factory at any given time. It is expeditious to prepare an elaborate and up-to-date inventory, listing all the materials including fixtures and fittings in the house from Axe to Zip. No material, no matter how small, should be left out of the list. Conduct a review of the inventory with the tenant or his or her able representatives and ask him or her to sign copies. Under no condition should a representative sign for a tenant. Some fixtures and fittings will need to be described. For example, Armitage water closet, Brown oak wooden floor, Sky-blue sickens paint, 0.45 mm gauge red aluminum roofing sheet etc. This is because the quality will determine the value of the property. Tenants should be able to restore a property as they met it unless they have improved it with the consent of the property owner or his or her agents.
6. Motivate tenants to pay: Introduce award, rewards and letter of commendations. In the past, property managers have no reason to be innovative as the routine is easy and uniform. Nowadays, a good manager must invent means of making tenants to pay. Newsletter can be introduced where issues pertaining to rent collection and services rendered in the reporting period are treated. Property managers should pay periodical visits to their tenants to discuss issues of mutual interest.
7. Be aggressive in writing demand notices or letters of reminder of payment. Follow up is crucial in rent collection. There should be schedule as to timeline in writing "Letter of Reminder" after "Demand Notice". Most tenants fail to pay because they are not reminded of their duty to do so. It is the duty of the property owner or his/her agents to go for the rent and 'bombard' the tenant with letters of reminder to pay rent. Letter of reminder should be followed by letter of intent to reposes property and quoting the clause in the lease agreement which has been breached. Property managers should have good filing system to save records. The use of computer may be considered as it is faster to retrieve information on electronic files. If the tenant is comfortable getting his or her letters at home, change to his or her office where he or she will not want people to know he/she has rent backlog. Threaten to inform his or her referees about his/her credit situation. Most good Debt Collectors will say "embarrassment" is a tool of the profession.

8. Invest time and money to make sure the property is up-to-date, well maintained and attractive. Check the aesthetic, facilities, services, security and accessibility. These will make sure that other tenants are interested in the property. Checking the above will also make the rent to be competitive. Charge reasonable rent and where applicable service charge. Wilson and Okunev (1999) said that "understanding cyclical activity is an important component of efficient portfolio management". Property managers should be conversant with the market trend of rental property market and carry out surveys regularly to determine suitable rents for their property. They should also be able to do investment analysis using economic, social and political data.
9. Getting professional advice from lawyers, estate agents and tradesmen may be helpful and serve as value for money. Professionals are experienced in their fields and can accurately predict situations as they are guided by available data. It is also profitable to network with other friends, neighbours and family members who have investment properties to share from their experiences. Lawyers are in the best position to write a lease or rental agreement. They are passionate with the case if they are aware of the contractual relationship from the beginning. Advise your tenants to consult their lawyers before putting pen on paper.
10. Consider eviction where there is no other choice: Nowadays, lease agreements contain faster and cheaper means of settling disagreement between landlord and tenant like negotiation, arbitration or mediation. Yiu et al (2006) posited that "reducing exclusion and internal conflict resolution costs is one of the major reasons why property management exists". After all dispute resolution means have been exploited, it will be best to enter eviction process as soon as possible. This will be contained in the lease agreement. The process is usually through writing of "Quit Notice" or "Letter of Intent to Proceed Eviction in the Court". The letters will contain expiry date as provided by the law of the area, after which the tenant will be taken to court. Where the tenant vacate the property before the expiry date of the notice to quit property, the onus lies on the property owner or his agent to adopt debt collection means to collect the outstanding rent. There are professional debt collectors in this regard who will go after the debt for a fee.
11. Communicate with the other party/parties: The use of all modes of communication should be employed. These include, telephone, memo, notice board, e-mail and letters. "Communication is life" (Oikkonen et al, 2000).

#### **Factors affecting yield of Investment Property**

1. Demand for and supply of property: Demand and supply of investment property will greatly affect the yield of the property
2. Employment rate and income quality of residents: The opportunities available for job and the income quality of the residents are directly related to the rate of yield and appreciation of property investment.

3. Justice system of the area in which the property is located: The integrity of the judiciary and the rate of administration of justice have relationship with the yield of property investment. The justice system must be fashioned in such a way that it will reasonably protect the occupiers and protect the property owners' investment.
4. Access to credit facility: For investment property to be accessible to greater number of prospective buyers there must be easy access to credit facility.
5. Infrastructure in and around the facility: The internal and external infrastructures of investment property will affect the rate of yield of that property. Buyers and renters of properties are willing to pay premium if there are infrastructures like tarred roads, free flow of traffic, water, shopping centers and markets, recreation centre, landscape alley, financial institutions, schools, hospitals, safety and security, street lights, good drainage system, tourist centers etc.
6. Effective quality of the property: The effective quality of a property is that standard that will be appreciated by the prospective buyers or renters of the property and in which they are ready to pay for. Any addition to these in term of quality will no more be effective. For example, fixing of Jacuzzi in three-bedroom flat in an area where average rent of three bedroom flat is less than the cost of the Jacuzzi.

### **Nature of Property Management**

Property management in Nigeria and in most parts of the world is highly controversial, complex, intensive and challenging. It is still in its rudimentary stage and unorganized in Nigeria and most African states. It is highly litigious, the bases of disagreement being mostly rent default, rent increment, maintenance issue, conversion, illegal transfer and disturbance by other users. Property management is undefined and not backed by law except law of contract. It is not given prominence in Lease Agreement with only two or three clauses being dedicated to it.

Cases abound in property management that suggests it is not an easy task. An estate agent, Yusuf Olaosebikan, 60, was sentenced to 27 years in prison with hard labour by an Igbosere Magistrate's Court, Lagos for defrauding about 24 prospective tenants on the pretense of providing them accommodation. He was found guilty of failing to provide them accommodation and refusing to refund their money.

The accused was convicted by Magistrate W. B. Balogun in a 49-count charge of obtaining money under false pretense and stealing preferred against him by the police. The police alleged in the charge that the accused on 31 January, 21 February, 25 March, 2 and 8 April 2008, conspired with two others identified as Olu Adeisa, 33 and Rasheed Lawal, 49 to defraud about 24 prospective tenants to the tune of N5 million on the pretense of renting out a two-bedroom flat, room and parlour, a self-contained at 3, Alfa Aminu Street, Palm Grove, Lagos State, Nigeria, which did not materialize and that after collecting their money, he absconded.

It took the police more than one year to find his hideout where he was arrested. After investigation, he was charged to court for stealing, offences which the prosecutor, Inspector Godwin Anyanwu stated were punishable under Sections 516, 419 and 390 of the Criminal Code, Cap. C17, Vol. 11, Laws of Lagos State of Nigeria. The presiding magistrate, Mr. W. B. Balogun found him guilty as charged and sentenced him to 27 years imprisonment with hard labour (PMNews, 2011).

Court cases are not yet adequate in Nigeria property management, but foreign cases especially from United States of America and United Kingdom will suffice. In *Allen vs. Hyatt Regency-Nashville Hotel*, the Supreme Court of Tennessee, 1984, 668 S.W.2d 286, held that property owners are liable for the theft of properties in their custody. Appellee's husband parked a car in appellant's parking garage and received a ticket. Entry and exit was guarded and the garage patrolled. The car was stolen. Should the relationship between the parties be considered bailment for hire? Harbison held that, although parking situations vary, this garage was guarded, and a ticket was required upon exit. The New Jersey Supreme Court has ruled that the car owner is absent and would have difficult bringing proof of negligence, so in these situations there is a presumption of negligence on the garage owner, and that fits these facts here. Drowota dissented and said a bailment requires the defendant voluntarily assume control, custody, or possession of the vehicle. Here, however, the plaintiff parked the car. The ticket didn't identify the car, only the amount of time parked, and sometimes there was no cashier at all. This situation rather presents a license to park or a lease of a parking space, not a bailment for hire, and thus there should not be any presumption of the lot owner's negligence.

In *Brown v. Southall Realty Co.*, District of Columbia Court of Appeals, 1968, 237 A.2d 834, Appellee-landlord sued appellant-tenant Mrs. Brown for nonpayment of rent. The premises had been in violation of several Housing Codes even before the lease began, including an obstructed commode, a broken railing, and a low basement ceiling. Does violation of housing codes make a lease agreement an illegal contract? It was held that violation of housing codes make a lease agreement an illegal contract. Just like any contract, if it is created in violation of statutes, it is void.

In *Jancik v. Department of Housing and Urban Development*, United States Court of Appeals, Seventh Circuit, 1995, 44 F.3d 553, Stanley Jancik posted an ad for an apartment that included the words, "mature person preferred." The Leadership Council for Metropolitan Open Communities decided to test Jancik. Cindy Gunderson called Jancik, who said that he didn't want any teenager. He asked about her name and, upon learning it was Norwegian, asked twice if it was white or black Norwegian, and confirmed that he was asking about her race. Marsha Allen called Jancik, who asked about her race, saying that he was screening applicants because the middle-aged residents did not want anyone loud, having children or pets. Did Jancik violate the Federal Housing Act, 42 U.S.C. § 3604(c) section 804(c) by indicating a preference of family status? It was held Yes. Jancik indicated



he wanted a "mature person", did not want families with children, and did not want any teenagers. The test is whether an ordinary reader of a protected group would be discouraged from answering the ad. (This test does not take into account Jancik's subjective intent, although such evidence is relevant). Did Jancik violate § 3604(c) by asking about race? It was held Yes. In context, it is clear Jancik intended to discriminate based on race, as he asked several times during the middle of other questions indicating preferences of age and the presence of children, and expressed in that context that he was screening applicants. (One court has even stated in dicta that the mere inquiry into one's race is unlawful).

*In Adrian v. Rabinowitz*, Supreme Court of New Jersey, 1936, 116 N.J.L. 586, 186 A. 29, Defendant Rachel Rabinowitz leased a store to Goodwin Adrian for the purpose of opening up a shoe business. The lease was to start on June 15 and go for six months, but the previous tenant didn't leave until July 9. Was there an implied covenant for quiet enjoyment? It was held that there was no implied covenant for quiet enjoyment under the laws of New Jersey. Was there an express covenant for quiet enjoyment? Yes. It said so right in the lease agreement. Does the express covenant of quiet enjoyment provide an obligation of the lessor to deliver possession against prior tenants as well as strangers on the day the lease starts? Yes. Although several American jurisdictions have held otherwise, the English cases which hold in favor of an obligation make sense. Both parties intended for possession to be given to the lessee, and it's not right to place the burden of gaining possession on the lessee, who expects to have possession. Rabinowitz' attempts to get the other tenant out shows that she understood this obligation. (This doesn't necessarily hold for a stranger who intrudes after possession has been granted to the lessee.) Should the plaintiff be reimbursed for loss profits from the shoe business because of lack of possession? No. The damages should be the rent for the period of deprivation of possession, because these are the circumstances contemplated by the lease. (Even if both parties contemplated that the lessee would open up a shoe shop, the plaintiff never introduced adequate evidence of loss profits.)

*In Commonwealth Building Corp. v. Hirschfield*, Appellate Court of Illinois, 1940, 307 Ill.App. 533, 30 N.E.2d 790, Plaintiff landlord and defendant tenant signed a lease agreement that provided for double rent for any remaining time in which the tenant did not vacate upon expiration of the lease. The tenant gave notice of leaving and for several days packed up and removed breakables, furniture, and carpets. Apparently due to some problems getting use of the elevators, by midnight of the last day of the lease the tenant and his family were not yet completely moved out, so they spent the night there. Plaintiff charged them the next day for an entire year's rent, as the New York rule [the common law holdover tenant doctrine] allows the landlord, if a tenant is not out at the expiration of the lease, to either consider the tenant as a trespasser or to consider the lease renewed for another period. Does the New York rule hold? No. The rule was either based upon a theory that not moving out shows an intention of the tenant to renew the lease, or upon a quasi-

contract theory of contract in law. The tenant gave a good-faith effort to leave on time, so it wasn't his intention to stay, and merely staying past midnight doesn't provide for quasi-contractual remedies. The contract allowed for double rent during any possession past expiration, and that's sufficient. (The landlord could also have retaken the premises or negotiated a new agreement at the expiration of the lease, but he didn't do either). It was concurred that the landlord's claim for an entire year's rent "shocks the conscience of the court" and is "wholly without merit and ought not to be entertained by any court of justice." Courts should use some reason and not allow a cause of action for every little dereliction.

*In Richard Barton Enterprises, Inc. v. Tsern*, Supreme Court of Utah, 1996, 928 P.2d 368, Plaintiff Barton rented commercial space from defendant Tsern in order to run an antiques dealership. Barton needed the second floor to store antiques, so the lease required Tsern to fix the leaky roof and to put the elevator in "good working order." Tsern had the elevator only partially fixed, and after a few months and several building inspections on the elevator, the elevator was put out of service altogether. Barton had not paid the rent in full because of this situation, and the trial court said that Barton was allowed to reduce the rent from \$3000 to \$2000. Was the court allowed to impose a modification of the lease? No. A modification of a contract requires an explicit showing of an agreement, and although the parties had agreed to the concept of a rent abatement, they had not agreed on an actual amount. Courts cannot impose their own decisions on a contract outside a lease agreement of the parties. Can the court impose a rent abatement as a remedy for failure to supply property that meets an implied warranty of suitability for commercial purposes? Yes. Originally leases were looked at as temporary conveyances of interest in the land, and contracts imposed independent obligations that one could not get out of except later through constructive evictions. As society evolved from an agrarian to an urban society, the state of the property became more important and leases came to be looked at as mutually dependent covenants. Under the new view, "the lessee's covenant to pay rent is dependent on the lessor's performance of covenants that were a significant inducement to the consummation of the lease or to the purpose for which the lessee entered into the lease." Barton wouldn't have signed the lease without assurances that the elevator would work, so he can "abate rent by an amount equal to the reduced value of the premises due to the lessor's breach."

*In Town of Telluride v. Lot Thirty-Four Venture, L.L.C.*, Supreme Court of Colorado, 2000, 3 P.3d 30, Colorado law section 38-12-301, 10 C.R.S. (1999) prohibited rent control. The Town of Telluride passed Ordinance 1011 which, in order to provide housing for new low-income workers, required developers to either (1) construct new units restricted to affordable housing, (2) restrict existing units, (3) pay fees to the Town, or (4) convey land to the town to be turned into affordable housing. Does Ordinance 1011 constitute rent control? Yes; rent control by its commonly-held meaning is a cap on rents with increases allowed only in relation to some index. Does Ordinance 1011 violate section 38-12-301, 10

C.R.S. (1999)? Yes, that law prohibited "any ordinance or resolution which would control rents."

*In City and County of San Francisco v. Remberto Sainez*, Court of Appeal, First District, Division 2, California, 77 Cal.App.4th 1302, 2000. The Sainez' had flouted housing codes in their apartment on Van Ness for years: turning off heat for elderly tenants in the winter, leaving wiring exposed, not having fire alarms, and not fixing walls and ceilings that let the rain in. After inspections, the City issued a notice of violation (NOV) and after numerous postponements and after the Sainez' ignored the City, inspectors found even more violations and the City fined the Sainez' \$1,000 per day for a total of \$767,000. Was there a miscalculation? Yes, the City shouldn't have calculated the fines to include several 30-day grace periods. Were the fines unconstitutionally disproportionate or excessive? No. These were repeated violations; the City gave the defendants plenty of time to comply; the tenants didn't receive a windfall; the amount was small in proportion to the entire rental property owned by defendants.

*In Piggly Wiggly Southern, Inc. v. Heard*, Supreme Court of Georgia, 1991, 261 Ga. 503, 405 S.E.2d 478, Appellant Piggly Wiggly drafted and executed a lease with appellees' predecessor in which appellee would build and lease a store to appellant, paying a base of \$29,053.60 and a percentage rent of annual gross sales over \$2,000,000. After twice extending the lease, Piggly Wiggly was sold and the new owner moved to a nearby location but kept paying the base rent. The new owner refused to sublease the premises to other interested supermarkets. The lease included, in part, "LESSEE'S use of the leased building and the leased property shall not be limited nor restricted to such purposes ...." Did appellant breach the lease by failing to continue operations? No, there was no express covenant of continuous operation, and the court can't supply such a covenant if it's not express. The substantial base rent and the fact that further rents were conditional on sales is further evidence of no covenant of continued operations. In dissenting, the lease also said, "Lessee is leasing the leased building for use as a supermarket and other parts of the leased property for parking and other uses incident to a supermarket business ...," and one rule of contract construction is that ambiguous terms should be construed against the drafter—here, Piggly Wiggly. The lease also used the term "lawful business," and not "lawful manner." Rent based upon gross sales is further evidence of a covenant for continued operations. How did the majority know that the base rent was "substantial," anyway?

*In Walls v. Oxford Management Co.*, Supreme Court of New Hampshire, 1993, 137 N.H. 653, 633 A.2d 103, Deanna Walls, plaintiff, was sexually assaulted in a car outside her apartment, Bay Ridge, which was managed by Oxford. At the complex there had been several crimes against property, but no sexual assaults. Walls sued Oxford for negligence, for breaching a duty to provide adequate security and for failing to warn of the lack of security. Do landlords owe a general duty of reasonable care to tenants? Yes. At one time landlords were given immunity except for (1) a hidden danger known to the landlord but

not the tenant, (2) premises leased for public use, (3) premises under the landlord's control such as common stairways, and (4) premises negligently repaired by the landlord. As an agrarian culture has changed to an urban culture, landlord immunity has given way to principles of negligence. Do landlords have a general duty to protect tenants from actions of third parties? No, they shouldn't have the burden of insuring tenants from criminal harm. Has a special situation arisen that would create a landlord duty to the tenant? No. (1) Landlord-tenant is not one of the traditional exception categories such as innkeeper-guest, common carrier-passenger. (2) No physical defect in the premises made the crime more foreseeable. (3) The crime was not reasonably foreseeable. (4) The landlord did not assume the duty by gratuitously providing security—any duty is limited by the extent of security provided. Does a warranty of implied habitability extend to safety against criminal attack? No, the terms "safe" and "safety" as defined by most statutes refer to structural integrity, fire hazards, and unsanitary conditions, not to safety from criminal acts of third parties. However, some jurisdictions have held otherwise.

For example, In *Kline v. 1500 Massachusetts Avenue Apartment Corp.*, the Court of Appeals for the District of Columbia Circuit held that a landlord has a duty to use reasonable care to safeguard his tenants from foreseeable criminal acts committed by third parties and to protect those parts of his premises which are not usually subject to periodic police patrol. In 1959, when the tenant first leased her apartment from the landlord, the main and garage entrances to the 585 unit complex were monitored at all times by building attendants; a third entrance was unguarded during the daylight hours but was locked after 9:00 P.M. By 1966, however, the main and garage entrances were frequently left unattended, and the third entrance often remained unlocked overnight. The tenant was injured seriously when she was criminally assaulted in the hallway of the apartment complex by an intruder. She sued the landlord, alleging that a series of assaults, robberies, and other criminal offenses had occurred against tenants in the common areas of the apartment building since the slackening of the security measures. The district court ruled as a matter of law that the landlord had no duty to protect his tenants from the foreseeable criminal acts of third parties. The court of appeals reversed and remanded for a determination of damages. While in most instances one is not under a legal obligation to protect another from the activities of a third person,' relationships do exist between parties of "such a character that the law imposes the affirmative duty upon one person to attempt to control another's conduct to avoid an unreasonable risk to a third person" (District of Columbia Circuit, 1970).

## **METHODOLOGY OF RESEARCH**

A research is the thing we do when we want to find something out (Research Whisperer, 2012). In other to do justice to this research, the appropriate methodology will be the quantitative and qualitative researches. "The quantitative paradigm is termed the traditional, the positivist, the experimental, or the empiricist paradigm. The qualitative paradigm is termed the constructivist approach or naturalistic, the interpretative approach, or the post positivist or postmodern perspective" (Akintoye, 2007).

Quantitative data are data like turnover, cost in naira, qualification, year of experience, etc. Qualitative data are like rank, designation, educational qualification, sex, marital status, occupation, religion, etc.

Primary and secondary sources are the two sources of data mostly used in this research work. Primary data are those obtained from direct interview and from the questionnaires administered to stakeholders in property management, that is, the landlords, tenants and property managers. Secondary data were obtained from books, journals, magazines, seminar papers and handouts.

Two hundred (200) questionnaires were administered to landlords, tenants and property managers in the study area (Nigeria) equally. The monkey survey was used through e-mails of respondents. Likert scale was used with respondents having option of ranking reasons for landlords and tenants disagreements in property management in Nigeria. A Likert scale is a psychometric scale commonly involved in research that employs questionnaires. Likert scale was developed by Rensis Likert (5 August 1903–3 September 1981), an American educator and organizational psychologist best known for his research on management styles. Four core assumptions relating to the research methodology above are: (1) the stratification method chosen is assuming that the 200 respondents will speak for the whole population as the responses will be used to generalize for the whole. (2) The method is assuming that the respondents chosen from survey are aware of the challenges of property management in Nigeria. (3) The study is also assuming that respondents in Nigeria are products of the system and not part of the challenges of property management in Nigeria. (4) The study did not consider public building maintenance or owners/occupiers property management practice but the investment properties.

The strength and weaknesses of data triangulation are:

Triangulation is a term borrowed from the study of experimental methods and refers to any attempt to investigate a phenomenon using more than one method. It was developed to counteract the inherent threats to validity that each experimental method contained. The strength of data triangulation is that effective data analysis will be done through triangulation. This is based on the fact that each experimental method is “best” for certain applications, scenarios and populations, but none is best for all. Using this will combine their respective advantages.

The weakness lies in the fact that all information may be mixed up in data analysis as researchers are seldom skillful in the two methods and the cost of using multiple methods may be expensive. The implementation time, response rates, size and complexity of survey, sensitive questions, etc. are all impediments to triangulation.

After the data have been gathered, it will be organized in a manageable way and analyzed using both descriptive and inferential statistics so as to be able to interpret them. The results of the data analysis will then be interpreted for conclusion and recommendations to be made.

## **DATA ANALYSIS**

The purpose of a research affects the decisions about the research problem, research design, data gathering methodology and data analysis. This research is a Descriptive Research tending to get information about the nature of a current situation. The

major concern is accuracy. The data collected were analyzed using both descriptive and inferential statistics. Statistical analyses were undertaken using the Statistical Package for Social Sciences (SPSS) and Microsoft Excel. These analyses were to rank the reasons given by respondents as the reasons for disagreements in property management in Nigeria. A lower value to the mean value indicates a weaker reason. One-way analyses of variance (ANOVA) were done to test whether the mean values on each of the eight reasons were equal.

Tables 1-4 give the summary of the analyses. 'F statistics' (based on F-ratio and value) which tests the null hypothesis that all groups have the same mean. 'F significant' (F sig.) indicates the probability of rejecting the null hypothesis saying there is no difference between the mean values of the groups. Lower probability values (P. val.) shows that the null hypothesis can be rejected, suggesting that there is difference of opinion between groups. A significance level below 0.05 indicates that there is a high degree of difference of opinion between groups on that reason.

**Table 1: Analysis of Questionnaire's Administered**

Questionnaires Administered	Percentage
Number of Questionnaires Answered = 135	67.5
Number of Questionnaires not Answered = 65	32.5
<b>Total = 200</b>	<b>100.0</b>

**Table 2: Frequency Table of Respondents for Reasons for Disagreement in Property Management in Nigeria**

Reasons	Degree of Importance and Frequency					Total Points
	5	4	3	2	1	
Maintenance and repairs	73	31	19	12	0	570
Population of occupants	68	27	26	14	0	554
Landlord/tenants acts outside of lease agreement	64	25	18	25	3	528
Rent increment/issues	71	29	17	18	0	558
Shifting of obligations including statutory obligations	53	47	9	12	10	514
Abuse of Nigeria justice system	62	29	34	6	4	544
Service charges	49	31	32	14	9	502
Non-payment of rents	69	46	9	11	0	578

**Table 3: Experience of Respondents of Questionnaires on Reasons for Disagreement between Landlords and Tenants in Property Management in Nigeria**

Experience	Mean
Mean Experience of landlords	13.89
Mean Experience of tenants	20.76
Mean Experience of property managers	18.56

**Table 4: Ranking of the Reasons for Disagreement of Landlord and Tenants Construction Projects in Nigeria**

Reasons	ANOVA					
	Overall	Small	Medium	Large	F. Stat.	P. val.
R8: Maintenance and repairs	4.32	4.08	4.17	4.71	1.695	0.193
R1: Rent increment issues	4.02	3.75	4.19	4.13	1.239	0.392
R4: Population of occupants	3.93	3.78	3.81	4.20	0.454	0.658
R2: Abuse of Nigeria justice system	3.61	3.39	3.52	3.91	2.732	0.077
R6: Landlord/tenants acts outside of lease agreement	3.58	3.11	3.71	3.92	1.643	0.205
R3: Shifting of obligations including statutory obligations	3.55	3.24	3.58	3.84	1.230	0.307
R5: Service charges	3.09	3.00	3.06	3.20	0.208	0.819
R7: Self-help of landlord/property manager	3.04	2.93	3.10	3.10	0.242	0.786

## DISCUSSIONS AND INTERPRETATIONS OF ANALYSIS

Table 1 shows the percentage of Questionnaires returned to be 67.5. Two reasons can be given for the unreturned Questionnaires and these are that the collectors of these Questionnaires were not ready to discuss the issue of disagreements of landlords and tenants in Nigeria, or that they are not aware of any reason for the disagreement of landlords and tenants in Nigeria. The small percentage of unanswered questionnaires shows that higher percentage of landlords, tenants and property managers are aware of the reasons for disagreements between landlords and tenants in property management in Nigeria.

Table 2 shows the frequency of the respondents' reasons for disagreements between landlords and tenants in property management in Nigeria. Table 3 is the table of experience of respondents in property management in Nigeria, while Table 4 is the table of ranking of the reasons given by respondents for the disagreements of Landlords and tenants in property management.

Reason 8: Non-payment of Rents ranked first followed by Reason 1: Rent Increment Issues. The next in the ranking by respondents is Reason 4: Population of the Occupants, Reason 2: Abuse of Nigeria justice system followed suit, while Reason 6: Landlord and Tenants Acts outside of Lease Agreement was next on the list. Reason 3: Shifting of obligations including statutory obligations, Reason 5: Service charges and Reason 7: Self-

help of Landlord/Tenants, which is, acting without recourse to laws, followed in that order. The differences between the means and the deviation of the three groupings do not show any significant reason to assume disparity in their opinions on the reasons for disagreement between Landlords and Tenants in property management in Nigeria.

Table 4 shows the ranking of the reasons for disagreement between landlord and tenants in Nigeria according to importance. Ho, the Null Hypothesis is that there is noticeable difference of opinion among respondents in the mean of the reasons. Using P-val to analyze, all the P-val's of R1 – R8 are higher than 0.05. It therefore means that the reasons are all accepted. In order to choose the strongest reasons given by the respondents, it was postulated that any Reason which have overall mean lower than the F. Critical should be rejected. The F. Critical for all the Reasons is 3.6425. Reasons R3, R5 and R7 were therefore, considered as weak.

## **CONCLUSION**

Property is a good investment because of its immobility, relatively stable rate of appreciation and lesser risks of management. It is also a scarce basic need and is ever in demand especially in countries like Nigeria where demand is higher than supply. Property is a means to many ends as it is consumed for numerous reasons; residential, commercial, office, recreation etc. Some tenants prefer to stay closer to their places of work while others prefer to stay closer to their children's schools. The numerous benefits of housing have made properties to be a need that man cannot do without. There are inherent investment benefits in property than any other investment because of its seemingly easy transaction process. A good property manager should ensure that his or her property falls in the one percentile of properties in his or her area with good physical condition. This will ensure continuous demand and occupation.

But property investment is highly volatile. It is this volatility that makes sound management inevitable especially at a period of economic doom. No tenant wants to lose a good and comfortable property. This is where an efficient manager of investment property has advantage over others. A good manager will always put his or her property in a tenantable condition and will carry out audit of the property regularly according to the provision of the lease agreement so that it is not abused by the occupier/s. It is also a means of exercising property right as a landlord or his/her agent.

With or without economic crunch, property remains an investment of choice. It is a place where we strategies for industrial activities. It is a place of rest, social and economic activities. It adds to the status of the occupier and is the most expensive consumer goods of man, generally. Property serves as store of value. It is pertinent that property managers must engage the use of legal advisers in the drafting of Lease Agreement. Inventory List must form part of the agreement or contract between the landlords and tenants, Service Charge clauses must also be expanded to include what will be serviced and how it will be



charged. With the necessary basic tools of management, property will live up to its financial responsibilities. There are property management software that will make the task easy.

Alternative Dispute Resolution (ADR) clause should be included in all Lease Agreements as a faster and cheaper means of settling disputes between landlords and tenants. Mediation and Arbitration are good means of setting disagreements between landlords and tenants and there are mediation centers in some states capital like Lagos, Osogbo and FCT.

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