
SUSTAINABLE PROPERTY MANAGEMENT PRACTICE IN NIGERIA

¹Oladokun, Timothy Tunde

¹Department of Estate Management,
Obafemi Awolowo University, Ile Ife,
Osun State, Nigeria

Abstract

This paper examines the degree of preparedness of the Nigerian estate surveyors and valuers to sustainable property management practice in response to the challenges and benefits of the practice in advanced countries. Using an instrument designed to elicit factual data and opinion from a sample of practicing estate surveyors and valuers in Lagos, the study indicates that sustainable property management practice is of little priority in the activities of real estate practitioners as the concept is still new to them. Many of the practitioners, though graduate of a university or polytechnic, were not trained in the science of green building and neither has the professional institution taken any step to train them. The industry has still not developed an adequate response to sustainability due to profitability-oriented focused practice. The consequence is over concentration of activities and efforts on estate agency, leaving the property management arm not globally competitive. The paper suggests an overhauling of university/polytechnic curriculum in response to global trends and the retraining of practitioners to meet emerging challenges in sustainable property management.

Keyword: Sustainable, Green, Property Management, Practice, Stakeholders.

INTRODUCTION

Background to the Study

Across the world, professional bodies have increasingly come to realize the importance of globalization of activities and services. They are increasingly recognizing the need for standardization of products and services so as to enable them compete with their colleagues and competitors worldwide (Adewumi and Ogunba, 2005). According to the author, Architect, accountants, quantity surveyors and estate surveyors and valuers are not left behind in aligning their professional practice with the practice in the advanced countries of the USA and U.K. The advantages necessitated by the developments in information technology, rising expectation of employers, advancement in telecommunication and removal of trade barriers have necessitated uniformity of practice (Adewumi and Ogunba, 2005). The result is that every profession strives to meet up with international standards and expectation in the discharge of its functions and provision of service to the people. To this end, Ogunba and Iroham (2005) posit that no profession in the built environment should remain static or inflexible lest it becomes an anachronism. It must

learn from the past, adapt to changing realities of the present and at the same time anticipate the needs of upcoming generations. The result is that, the concept of sustainable professional practice is creeping to every profession and property management practice is not excluded in this regard.

Property management traditionally involves the application of specialized skill to care for the investment, often of an individual, household or corporate body in buildings with a view to ensuring a maximum return. It is often carried out for a pre-defined objective. Its concern, according to Scarrett (1995) is the optimization of the owner's investment. It is a conscious process of guiding and tailoring an investor's investment in land into profitable ventures. According to Baldwin (1994) it is the total care of the building during the operation stage. It is a main care for real estate (buildings), its components and occupiers for effective and efficient utilization of investment fund in it. In other words, the practice is responsible for management of the largest single form of household wealth (assets) which accounts for between one quarter and one half of the capital stock in developed and developing countries (Buckler, 1989). The product being managed is among those activities at the leading edge of a country's economic development (Ogunleye, 2005).

There is however the need to know that the world is changing. According to Pennsylvania Environmental Council (2008) college graduates are choosing where they want to live based on the commitment of a community to sustainability, and companies are choosing where they want to locate based on where those bright young minds want to live. Consumers are increasingly choosing environmentally friendly products and services and want to deal with companies that have articulated their commitment to sustainability and the future. To this end is the demonstration of the critical nature of sustainable practice in the delivery of products and services. Newman (2007) documents the fact that the push to go and stay green is very much on the minds of commercial property owners and real estate practitioners in the US and UK. In the developed countries, tenants demand for sustainable properties, according to Goerin (2009) has risen significantly in the last two years. In the words of the author, corporations have embraced sustainability for sound business reasons, as well as for the public relations value of going green. Energy cost savings, advantages in recruiting and retaining employees, and potential productivity benefits all factors into a corporation's commitment to sustainability. This awakened consciousness has swelled the green tidal wave for sustainable practice (Addae-Dapaah et al., 2009).

While it is documented that where properly embraced, sustainable property management practice has been beneficial to making buildings more readily leased, command higher rents and have higher tenant retention rates; generally enjoy lower operating costs through increasing energy efficiency and lessening greenhouse gas emissions; improve business productivity of their tenants, affecting churn, renewals,

inducements and fitting-out costs; and benefit occupants to a degree that may exceed the underlying asset's value ((Baier, 1999; Miller et al., 2006 and Robinson, 2005), similar evidence appears not to be available in developing countries like Nigeria. In other words, the practitioners acceptance and practice of sustainable property management is crucial to the success and/or development of sustainable built environment and thus, requires a study of this nature to evaluate the preparedness of the Nigerian Estate Surveyors and Valuers for embracing the practice of sustainable property management practice so as to ensure that building assets are managed to meet the ever changing business and economic needs of the people.

This is underscored by the fact that although much have been documented by the rapid evolution of green buildings in advanced countries, actions towards the development of green market/ property management practice in Nigeria are still not visible. Yet the challenges about global warming and the need for energy cost-saving and environmentally friendly buildings requires that sustainable property management practice be developed as a means to reducing building emissions which are threats to human comfort and global existence. This makes it worthwhile to investigate the preparedness of Nigerian building industry for sustainable (green) development.

Secondly, Nigeria is an acclaimed giant of Africa and an oil rich nation, with an economic base and market penetration into all other African countries. It will therefore be worthy of note that the multinational corporations and international investors will want to know the readiness of the nation's property market for sustainable properties and the preparedness of the stakeholders for necessary implementations.

The paper is structured as follows. Section 1 provides the introduction and the specific aim of the paper. Section 2 provides a brief review of extant literature and some related past studies in the area of property management. The third section discusses the study population, methodology and data requirement while section 4 contains the results the discussions and the concluding remark for the study while providing the way forward

REVIEW OF EXTANT LITERATURE

Past Studies in Property Management Practice

Property management is a major function of an Estate Surveyor and Valuer whose training in finance, Economics, accounting, Architecture, Quantity Surveying, land Law and Computer Science makes him an expert in the use, development and management of land and property. Property management is an all-encompassing subject requiring the application of skill and knowledge towards exploiting the "latent values" of property assets. Macey and Baker (1978) defined it as the application of skill in the caring for a property, its surrounding, and amenities in developing a sound relationship between a landlord and a tenant and between tenants so that the property may give its fullest value to both the landlord and the owner. It is an all involving task. It is the direction, the nursing and sometimes the overall direction of policy of an interest in landed property with a view to

obtaining maximum return (Thorncroft 1976). The main concern of property management is the optimization of the owner's investment (Scarrett, 1995). It is a conscious process of guiding and tailoring an investment in land into profitable venture.

Sangosanya (1986) referred to the art of property management as a business as well as a profession requiring an acquisition of knowledge and special skill in a particular field of endeavour. Upholding a similar view, Tomori (2005) viewed it as another business enterprise that is mainly concerned with correct motivation of staff and fairness to tenants by consulting, information and encouraging them so that a sense of partnership and joint venture is established. It is a specialty in which real estate brokers manage homes and duplexes as well as large projects such as office and industrial complexes, shopping centers, apartment houses, and condominium (Colorado State, 2008).

It is however pertinent to note that professional practice all over the world seems to be conscious of the impact of their operations on the environment. The concept of globalization has thrown many challenges requiring the need to standardize operations and unify purpose of activities. Thus, the practice of sustainability has gradually crept into all facets of professionalism.

No study is known to the author to have yet examined the practice of sustainable property management in Nigeria. A closely related paper in the local environment is the work of Okoro (2005) which was limited to the examination of proper terminologies in use for describing different properties that can be managed by an estate surveyor and valuers in Nigeria. The focus of the paper was to enlighten professionals about proper usage of terminologies in property management practice.

Most of the empirical studies have been limited to the traditional practice of property management. Examples include Li (1997), Chin and Poh (1999), Han and Lim (2001), Lai (2006), Yiu, et al (2006), Blackwell (2008) and Andrew et al (2008). A number of these studies focused on examining the principles and practice of property management (Lai, 2006). Touch Ross (1993) and Institute of Real Estate Management (1991) provided a general direction and development guidelines for property management information system. In a similar study, Han and Lim (2001) investigated the use of computers in Singapore property management companies. Blackwell (2008) examined the relationship of geographical indicators (GIs) with real property valuation and management. Also, researchers such as Yiu, et al (2006) and Lai (2006) examined the study via the roles of property management from an institutional economics perspective and the potential contribution of innovative property management to sustainable development. A critical examination of these past studies revealed that none of them have paid detailed attention to the sustainability aspect of property management practice.

In a similar study by Andrew, et al (2008), the problems that different public sector bodies face in joint planning to develop and share facilities and property services and how they overcame them were discussed. Christudason (2008a) examined the various

legislations affecting common property management in Singapore. The author considered the problems inherent in the existing system of single-tier management corporations for strata property management until 2005 as a basis for a discussion of the solutions presented by new legislation in the form of “two/multi-tier” management corporations. The study revealed that while the multi-tier system could alleviate some of the problems existing under the single-tier management corporation system, other problems could arise; these include increased operational costs, finding sufficient volunteers for the multi-tier management corporations, and increased potential for conflict.

Li (1997) examined the opportunities and problems in property management in China. The author highlighted staffing and training as major problems that could threaten effective property management practice. Apart from the fact that the study was carried out in the context of developed countries such as China with different business environment, the study lacked empirical evidence and did not focus on the practice of sustainable management in developing countries like Nigeria. The same argument can be said of Chin and Poh's (1999) work which examined property management industry's attitude in Singapore to quality.

In summary, there is lack of empirical evidence about the preparedness of stakeholders towards sustainable property management practice in emerging markets like Nigeria. The study is therefore significant because the threat of global warming and the possible impact of climate change are key factors of concern to the continuous existence of the built environment. There is no doubt, the development of sustainable property management practice would extend the economic life of a building in the long run, reduce the negative impact of buildings on the environment. While improving the health status of residents/occupiers of buildings, the practice will also enhance workers' productivity. Lastly, the result of the study is expected to be a guide to professionals and policy makers in other African countries towards the development of appropriate framework for sustainable professional practice. A nation like Nigeria therefore has more to gain with the introduction and embracement of green buildings and sustainable property management practice.

THE STUDY POPULATION, METHODOLOGY AND DATA REQUIREMENT

The study focused on sustainable property management practice in Lagos State, Nigeria. The state has a high concentration of real estate developers as well as the largest population and proportions of practicing Estate surveyors and valuers who handle the management of all categories of properties. The study area is characterized with relatively big, complex and modern commercial properties capable of being found in any commercial town and centre in the whole world.

Methodology and Data

The focus on Lagos state is justifiable because of the affordability of data collection. Lagos is one of the most important commercial cities in Nigeria. Lagos state is the most

intensive economic centre in Nigeria, harbouring 60% of the nation's industrial and economic establishment and 80% of the nations' total value added of manufacturing activities in the country. The presence of the headquarters of almost all industrial and commercial corporations in Lagos provides ready platform for the taking off of the practice in the city.

Primary data were obtained through structured questionnaires that were designed to illicit response from practicing estate surveyors and valuers on the preparation of Nigerian professionals for sustainable property management practice. The sampling technique was purposive as it deliberately included at least a branch each of all 270 registered estate firms in Lagos. To this end, a total of 270 questionnaires were distributed, out of which 167 were returned completed representing 62% response rate. The data obtained were analyzed using descriptive statistics of percentages, arithmetic and weighted mean, while findings were displayed with the use of tables.

Data on respondents' social economic profile and their professional background as well as their degree of involvement in property management were collected with the use of questionnaires backed up with interview where necessary. The data collected were analyzed with the use of frequency counts and mean.

RESULTS, DISCUSSION AND CONCLUSION

In presenting results of the questionnaire survey, the paper examined, at the first instance, the socio- economic characteristics of the respondents. The second part relates to analysis of the degree of preparedness of estate surveyors for sustainable property management profession in Nigeria.

Socio-Economic Characteristics of the Respondents

The result of this first part of the analysis is presented below. In order to know the status of the respondent's staff within the firm, questions were asked as to their designations. Preliminary questions focused on the background of the respondents. The summary of the analysis are as follows: In response to the questions on the distribution of respondent's profile, 33.3% of the firms have been in operations for 30 years while 16.7% have about 16 years of experience. Of the respondents, 50% of them have up to 4 branches while the remaining 20% maintain between 1 and 3 branches. In response to questions about their numbers of staff, 33.3% have about 3 employees while others have between 10 and 30 staff members. The respondents are all generally graduates of estate management with only 16.7% holding the position of Managing Director. Nevertheless, the 50% of the respondents have up to 5 years post-qualification experience while other 16.7% have between 6 to 10 years of experience. In the same way, the response reveals that 50% of the respondents firm has at least one (1) registered estate surveyors in its employment with 16.7% indicating that they have between 5 and 10 registered surveyors in their employment. The picture indicated here is that the practicing firms in the study area have substantial qualified personnel that handle their operations. In addition, the responses in

respect of the professional practice of the respondents revealed that all the firms are involved in the traditional real estate management functions of property management, property agency, property development and valuation; with 16.7% firms indicating of involvement in all of the activities.

Table 1: Involvement in Property Management Practice

Involvement	Frequency	Percentage
Low	28	16.7
high	111	66.7
No response	28	16.6
Total	167	100.0

Source: Field Survey, 2019

Table 1 contains the respondents' perception about their involvement in property management practice. A higher percentage (66.7%) has high involvement while 16.7% indicated that their level of involvement is low. The remaining 16.7% did not indicate any response. This suggests that the estate surveyors and valuers in the area are traditionally occupied with property management practice. A major reason could be the highly commercial nature of the neighbourhood, which requires that professionals be engaged to handle the management of some seeming highly sophisticated properties.

Table 2: No of Conferences

No of Conferences	Frequency	Percentage
2	28	16.7
5	56	33.3
6	28	16.7
15	28	16.7
No response	27	16.6
Total	167	100.0

Source: Field Survey, 2019

Table 2 contains responses in respect of the number of conferences attended recently by the respondents. Majority of the respondents (33.3%) have attended 5 conferences. Other responses are 16.7% each for 2 and 6 attendances. This suggests the respondents' willingness to update their knowledge even after several years of graduating from school.

Table 3: Awareness of Green Building

Awareness of Green building	Frequency	Percentage
No Response	28	16.7
High	28	16.7
Low	111	66.6
Total	167	100.0

Source: Field Survey, 2019

Table 3 shows the distribution of the respondents' level of awareness of green building and sustainable practice. While majority (66.6%) indicated low level of awareness, 16.7% showed that their level of awareness is high while the remaining 16.7% did not have any idea about it. This could be as a result of our concentration on local seminars and conferences which theme and focus were to address local problems.

Table 4: Expectation of Sustainability Critical to Practice

Expectation of Critical	Frequency	Percentage
No response	28	16.7
its already critical	84	50.0
within 1-2 yrs	28	16.7
Never	27	16.6
Total	167	100.0

Source: Field Survey, 2019

Table 4 shows responses in respect of respondents' expectation as to when sustainable property management practices will become critical. 50% were of the opinion that sustainable practice is already critical now while 33.3% considers it critical nature to be in the future period of within 1 -2 years . This suggest that most practitioners are desirous of alternatives to conventional management practice, a major problem of which is the settlement of bills and rates chargeable of property; the most critical of which is electricity bill.

Table 5: Perception of Threat or Opportunity

Threat or opportunity	Frequency	Percentage
Minor threat	28	16.7
Major threat	55	33.3
Major opportunity	28	16.7
Minor opportunity	56	33.3
Total	167	100.0

Source: Field Survey, 2019

Table 5 contains the responses in respect of whether or not sustainable practice is perceived as a threat or opportunity. 33.3% considered it a major threat to the existing practice while 16.7% considered it as a major opportunity. Other 33.3% considered it as minor opportunity. This picture pointed here is that of an institution that is scared of embracing a new practice which could be more tasking and more challenging than the conventional one. This could be because of the lack of the requisite knowledge by the concerned professionals.

Table 6: Perceived Cost of Real Estate

Perceived Cost of real estate	Frequency	Percentage
No response	27	16.7
Generally less expensive than conventional	56	33.3

The same as conventional	84	50.0
Total	167	100.0

Source: *Field Survey, 2019*

Table 6 indicates the perception of the respondents about the cost of real estate. Majority (50%) of the respondents were of the opinion that green building will have the same cost as conventional building while 33.3% considers it as generally going to be less expensive than conventional properties. The remaining 16.7% however are however indifferent to this. This generally portrays a people without the experience of the benefits of green practice in the country.

Table 7: Perceived Pro-Activities of Players

pro-activities of players	Frequency	Percentage
No response	55	33.3
Reactive	28	16.7
Neither	56	33.3
Proactive	28	16.7
Total	167	100.0

Source: *Field Survey, 2019*

Table 7 shows practitioners responses on the perceived preparation for sustainable property management practice. 16.7% each indicated that the preparations of players in the industry are proactive and reactive respectively. However, majority (33.3%) are indifferent. This suggests that majority are still not making any effort to prepare for the anticipated new benefits. The result of Table 7 shows further that the respondents considered their level of preparation as correspondingly at 33.3% as low and high. This might be due to the fact that there has been no example of the practice that others could learn from.

Table 8: Factors for future attitudes for sustainability

actors	Frequency	Percentage
Significant increases in energy costs	55	33.2
Increased influence from customers	28	16.7
Implementation of Technology	28	16.7
Increased importance for employees	28	16.7
No Response	28	16.7
Total	167	100.0

Source: *Field Survey, 2019*

Table 8 reveals the perception of respondents to the factors considered as being likely going to facilitate future attitude for sustainable practice. Majority (33.3%) of the respondents considered significant increases in energy costs as a major facilitating factor. Other responses are increased influence from customers, 16.7%, implementation of Technology to support improved sustainability (16.7%) and increased focus of CEO on sustainability for your company, increased regulation of energy & carbon emissions. Increased influence from customers or clients for sustainability, implementation of technology to support improved sustainability, new or increased energy and carbon taxes,

increased importance of sustainability for employees/potential employees and meaningful government incentives to encourage sustainability were also identified. This reveals the general attitude and desire of most Nigerians to seek alternative source of power in the country. This suggests that an invention that will reduce the cost of power in the country is a likely welcome development in the country.

Table 9: Level of preparation for sustainability

Level of preparation	Frequency	Percent
High	56	33.3
Low	111	66.7
Total	167	100.0

Source: *Field Survey, 2019*

Table 9 summarizes the responses of the respondents' level of preparation for sustainable property practice in the country. Majority (66.7%) indicated a low level of preparation while the remaining 33.3% posited to a high level of preparation. The picture here is that of a set of professionals who are not bracing up for contemporary challenges in practice. The practitioners appears to be contented with the current level of exposure and the high income potential of the traditional practice and appear not prepared to pay the price for a change of attitude and approach in practice. This however negates the global challenge calling for realignment of efforts and goals with globalization trends.

Development of Sustainable Property Management Practice

The respondents were asked to rank on a 5 point Likert scale, what they considered are factors that will enhance the development of sustainable property management practice in Nigeria. In evaluating this, six major issues were raised namely: development of appropriate legal and regulatory framework, government support, establishment of rating agencies, adequate professional training/development, incorporation of sustainable property management education in tertiary education, enlightenment campaign for the need for sustainable management practice among practitioners. The summary of the ranking of the expected factors, calculated on the basis of proportion method, are as contained in Table 10.

Table 10 : Analysis of Respondents' Ranking of Factors that will Enhance the Development of Sustainable Property Management Practice on Proportion Method

Ranking of Factors	Ranking
Development of appropriate legal and regulatory framework	1
Government support	2
Enlightenment campaign for the need for sustainable practice management among practitioners	3
Establishment of rating agencies	4
Adequate professional training/development	5
Incorporation of sustainable property management education in tertiary education	6

Source: *Field Survey, 2019*

The most important factor is the development of appropriate legal and regulatory framework followed by the need for government support. These factors relate to the need for paradigm shift in governance and the enactment of policies and programmes by the various tiers of government to enhance the development of sustainable property management practice in line with global trends.

The third ranked factor is closely related to the above. The professional body is under obligation to enlighten their members about the gains of, as well as the need for them to be prepared to embrace the developing concept of sustainable property management practice. As professionals that will be involved in the practice, they must be convinced about it and be ready to acquire the skills for the practice.

The middle ranked factor is the establishment of rating agencies. The setting up of rating agencies is sine quo non to effective professional practice. The agencies will be able to work with the professional bodies to regulate the education and practice of sustainable property management.

The lower ranked factors – adequate professional training and the incorporation of sustainable property management practice in the curriculum of tertiary education in Nigeria relate to capacity development for the present crop of professionals and the upcoming ones. Professionals should be encouraged to attend seminars and conferences on sustainable property management practice while the inclusion of the concept in the training of future estate surveyors will enhance the development of the practice.

CONCLUSION

A major conclusion from this study is that in spite of their academic attainment, Nigerian real estate professionals are not fully prepared for the practice of sustainable property management. The implication of this conclusion is that acquisition of requisite knowledge and training should be seen as very crucial in policies on sustainable development. This requires the overhauling of the curricula of studies on Estate Management in the Universities and polytechnics to incorporate contemporary studies on environmental sustainability and preservation. This should be followed up with continuous development training for practitioners as a means of putting them on track with contemporary practice. There is also the need for the enactment of necessary supporting laws and legislation that will serve as appropriate framework for the development of sustainable property management practice in Nigeria.

References

- Addae-Dapaah, k., Hiang, L. K., and Sharon, N. Y. S. (2009), Sustainability of Sustainable Real Property Development. *The Journal of Sustainable Real Estate*. 1(1), 203-225.
- Adewumi, Y. and Ogunba, O. (2005), Shaping a Sustainable Role for Estate Surveyors and Valuers in the Evolution of Facilities Management in Nigeria. In Okewole, I.A., Daramola, S.A., Ajayi, C.A., Ogunba,

- O.A., and Odusami, K.T., ed. *The Built Environment: Innovation Policy and Sustainable Development*, Ota, Nigeria, 292-299.
- Andrew, A., Donald G., Pitt M., and Tucker M. (2008), Collaboration in Property and Facilities Management: The Experience of the Grampian Public Sector Property Group, *Property Management*. 26 (5), 310- 318.
- Baier, R.D., 1999. Customer service made easy: deliver what office tenants want. *HPAC Engineering*. September: 41-45.
- Baldwin, G. (1994), Property Management in Hong Kong: An Overview. *Property Management*. 12(4), 18-23. MCB University Press, 0263-7472.
- Blackwell, M. (2007), The Relationship of Geographical Indications with Property Valuation and Management. *Property Management*. 25(2), 193-203.
- Buckler, R.M. (1989), Housing Finance in Developing Countries, A Transaction cost approach, *The World Bank*, Washington, DC, WPS, No 347.
- Christudason, A. (2008a), Legislations Affecting Common Property Management in Singapore, Confusion or Solution through Fragmentation. *Property Management*. 26(3), 207-219.
- Chin, L. and Poh, L. K. (1999), Implementing Quality in property Management; The Case of Singapore. *Property Management*. 17(4) 310-321.
- Colorado State (2008): Real Estate Manual [Online]. Available from: www.dora.co.us/realstate/manual/manual2008/ch21_propert_management_leases (accessed 28 January, 2009).
- Goering, J. (2009), Sustainable Real Estate Development,: The Dynamics of Market penetration. *The Journal of Sustainable Real Estate*. 1(1), 167-202.
- Han, S.S. and Lim, L.Y. (2001), Computers in Property Management Companies, A Case Study of Singapore. *Property Management*. 19(5), 433-441.
- Institute of Real Estate Management (1991), *Principles of Real Estate Management*. IREM, Chicago, IL.
- Lai, L. W. (2006) Private Property Rights, Culture, property Management and Sustainable development. *Property Management*. 24(2), 71-96.
- Li, L. H. (1997) Property Management in China: Opportunities and problems. *Property Management*. 15(1), 6- 11.
- Macey, J.P. and Baker, C.V. (1978), *Housing Management*, Estate Gazette, London.
- Newman, M. (2007), Commercial Green Buildings: The Business Case, Realtors *Commercial Alliance*, Issue 6, Fourth Quarters.