



**CHALLENGES AND PROSPECTS OF
REAL ESTATE AGENCY FOR ESTATE
SURVEYORS AND VALUERS.**

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A. INTRODUCTION:

- * Estate Agency – Letting, sales of interest in real estate on behalf of a third party.
- * Status Quo- Virtually an all comers affair unlike Medicine, Engineering etc.



B. BACKGROUND.

How did we get here?

- * The first set of Estate Surveyors and Valuers (ESV) started off in 1966 upon returning from the UK.
- * Decree No. 24 of 1975 recognized the profession.
- * Oil boom.
- * Influx of expatriates.
- * Increased wealth / increased demand
- * Inadequate supply of accommodation compared to demand.
- * “Quick money” to link landlord and tenant, buyer / seller.



- * **But this was only part of the story.**
- * There were a lot of briefs, valuations, developments studies etc.
- * The labour pool was small, shallow.
- * ESVs employed a lot of non – professionals.
- * Agency was left in the hands of the lower cadre.
- * They trained and began to leave to set up their own agencies.
 - Madoks & Co
 - OCC (Oguns Commercial Company).
 - Penco Brothers
 - Feliward
- * The proliferation had started.
- * The foundation for the challenges which I will talk about were laid.



C. CHALLENGES.

- **Internal** - border on issues that are personal to each and every estate agency practitioner and professionalism.
- **External** - those outside the ambit of our direct control which still impinge negatively on the practice of estate agency.



C.1. INTERNAL CHALLENGES.

C. 1 (i) Office location and layout

- Address, high street
- Secondary location
- Ease of access

Estate agency is comparable to a retail business, high visibility, high patronage.

Office layout, cleanliness.



C.1. (ii). Personal Presentation.

- Everything must exude quality
- Dressing, Staff
- Materials leaving our offices.



C.1 (iii). Quality of Staff

- Many practitioners still regard estate agency as a low skill aspect of the profession.
- Use of non professionals.
- Wrong approach – 75% of the contact of the consuming public with us is through our agency department.
- Perceptions are formed immediately.

C.1 (iv). Staff Training, Capacity Building.

- Poor training, poor capacity.
- Poor entrepreneurial knowledge – leading to poor office structure.
- No structure for career path.
- Continuous Professional Development. Lack of or poor attention to refresher courses.
- No orientation or corporate culture
- No job description



C.1 (v). Poor Customer Service.

- Poor telephone culture
- Lack of knowledge about property enquiry
- Unfulfilled promises
- Lack of courtesy, respect
- Inattentiveness
- Poor feedback
- Poor after sales services



IT COSTS
5 TIMES
AS MUCH TO
ACQUIRE NEW
CUSTOMERS
AS IT DOES TO
KEEP THOSE YOU
ALREADY HAVE



C.1 (vi). Use of Technology.

- Strange that many practitioners have no website.
- Many are still using generic e-mails, yahoo, hotmail, gmail. Etc.
- Sweettiti@yahoo.com



C.1 (vii). Lack Of Trust Amongst Professionals.

- A profession with little trust.
- Reality



C.1 (viii). Poor Marketing of Firms and Services.

- Poor, low or non existent budget.
- Non strategic marketing.
- Marketing is key to all that we do in life.



C.2. EXTERNAL CHALLENGES.

C.2 (i). Tough Operating Environment.

Topics	DB 2017 Rank	DB 2016 Rank <small>i</small>	Change in Rank	DB 2017 DTF (% points) <small>i</small>	DB 2016 DTF (% points) <small>i</small>	Change in DTF (% points) <small>i</small>
Overall	169	170	↑ 1	44.63	44.02	↑ 0.61
Starting a Business ✓	138	137	↓ 1	78.62	77.19	↑ 1.43
Dealing with Construction Permits	174	173	↓ 1	49.63	49.61	↑ 0.02
Getting Electricity	180	182	↑ 2	29.43	29.38	↑ 0.05
Registering Property	182	182	-	31.44	31.43	↑ 0.01
Getting Credit ✓	44	60	↑ 16	65.00	60.00	↑ 5.00
Protecting Minority Investors	32	30	↓ 2	65.00	65.00	-
Paying Taxes	182	182	-	28.09	28.43	↓ 0.34
Trading across Borders	181	181	-	19.93	19.93	-
Enforcing Contracts	139	139	-	48.59	48.59	-
Resolving Insolvency	140	139	↓ 1	30.60	30.68	↓ 0.08

✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.

C. 2 (ii). High Demand for Real Estate Compared to Supply.

- High demand has become a challenge for practitioners.
- 16 million units short fall nationwide.
- Landlords react in various ways that diminish the profession and role of the estate agent.
- Arbitrary asking rent.
- Poor diligence because of high demand

C.2 (iii) Poor Quality Control of Construction and Finishes of Many Developments.

- Many agents come in only when property is finished.
- Poor construction, poor design etc.
- TO LET board remains on the property for long.
- Public and client perception is a sign of inefficiency or lack of aggression the path of the agent.



C.2 (iv). Lack of an Efficient Mortgage System.

- 16 million unit deficit.
- Cash based transactions.
- Inhibits large scale developments.
- An efficient mortgage system would see estate agents quadruple their current level of business.

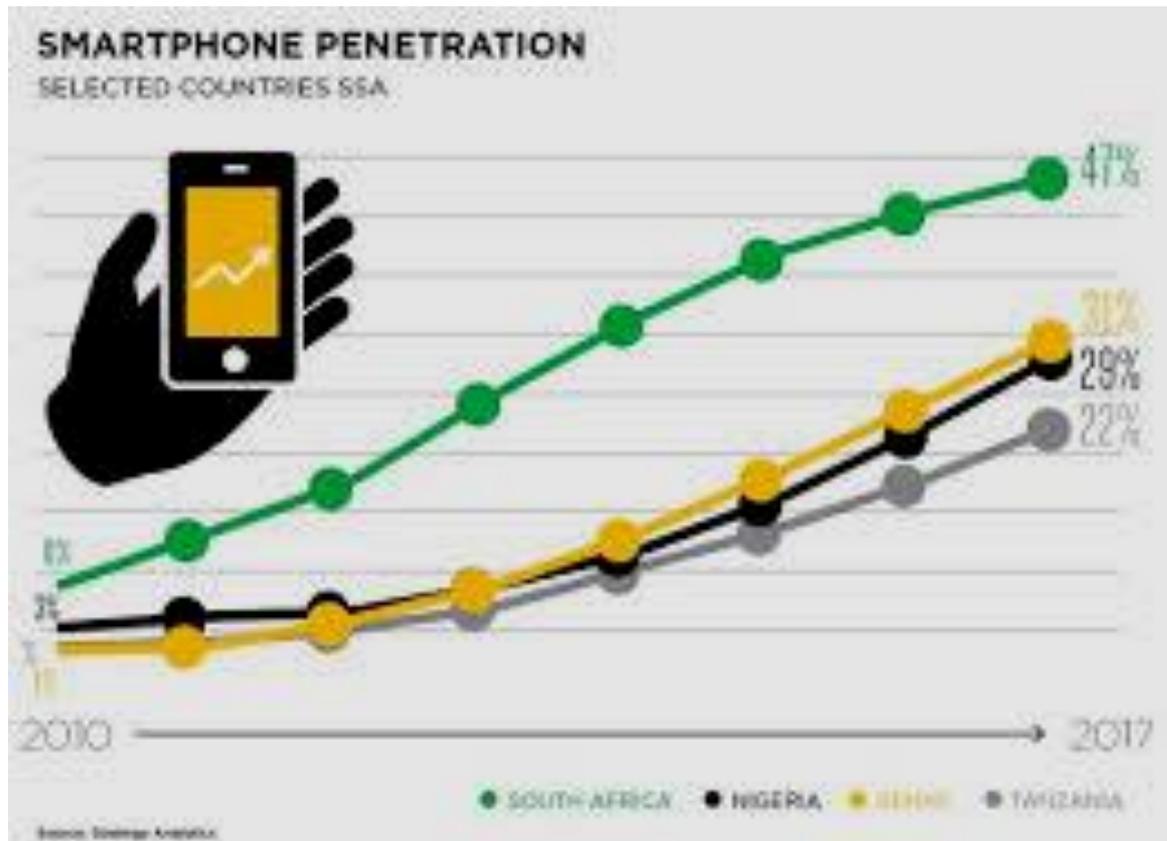


C.2 (v). Poor Information Flow in the Market Area.

- Lack of trust amongst professionals.
- Societal inhibitions.
- Rents, valued are fixed based on factors not related to professional consideration.

C.2 (vi). Poor IT (Information Technology) Penetration.

- Firms and consuming public rarely use IT.
- Penetration still less than 40% ages below 45.



C.2 (vii). Large Presence of Non Professionals.

- High number of non professionals.
- Ease of entry and exit.
- Lured by “10% agency and 10% legal fees”
- All you need is a GSM line.
- Real professionals are outnumbered 100 -1.
- Their actions far all with black paint and poor public perception.
- Shallow market.
- Agents are in competition with property owners and Landlords.



C.2 (viii). Lack of / Poor Documentation For Real Estate.

- Poor or complete absence of documentations of real estate.
- Less than 3% of Nigeria land mass is title.
- Estimated that nationwide we have less than 250,000 Certificate of Occupancy.
- Lack of documentations comes with its own problems, many of which the Estate agent bears the brunt of.



C.2 (ix). Slow Judicial Process / System.

- Land cases – 15 years and over to resolve.
- Landlord and tenant litigation – 4 – 6 years.
- Higher courts – add several more years.



D. RECOMMENDATIONS.

- i. Put our best foot forward.
- ii. Train and build personal and staff capacity.
- iii. Entrench first class customer service in our organization.
- iv. Use of technology.

Recommendations Contd.

- v. We as professionals, students have the responsibility to continually educate the coming public of what to do and represent.
- vi. Election of more Associates.
- vii. Creation of a real estate transaction data base.
- viii. Amendment of Land Use Act.

Recommendations Contd.

- ix. Judicial reforms – commercial courts.
- x. Creation of financial products – mortgage backed securities.
- xi. NIESV related must play a leading role in everything real estate.
- xii. Strengthen the Association of Estate Agents of Nigeria (AEAN).

E. CONCLUSION.

Estate Agency remains one of the services that Estate Surveyors and Valuers offer as professionals. There are many others, asset valuations, property / facility management, feasibility and viability studies etc.

However, the significance of estate agency cannot be under stated. It forms the bedrock on which our performance in the other aspects of our profession are built.

The challenges as enumerated will never be totally eliminated, but with a gradual implementation of some of the recommendations already listed, there will be a drastic reduction and better playing field for all in the estate agency field.

What is key, is that as much as possible practitioners must be determined to sanitize the practice for the good of all.

Anything else will continue to result in what we are currently going through where we are first and foremost regarded as fraudsters and tricksters.

Thank you for listening.

F. THANK YOU FOR LISTENING.



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