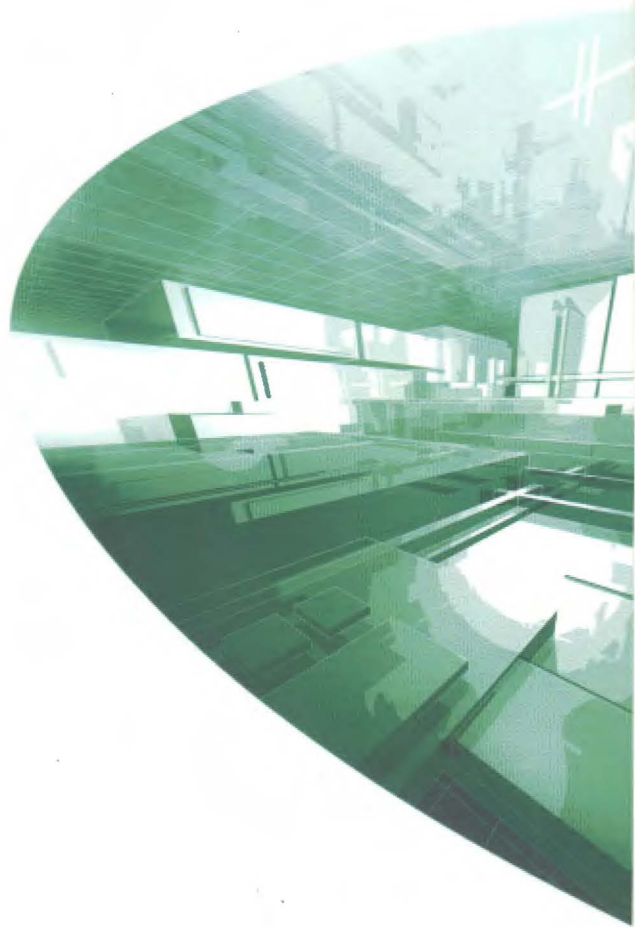


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Property Management

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The fourth issue of *Property Management* for 2011 offers a very diverse range of research papers once again from all corners of the world. I am very pleased that over the past year the journal has been able to significantly increased the number of papers being submitted for review and has attracted researchers from a number of countries and research institutions which have not previously been published in *Property Management*. It is rewarding to see that issues faced by property managers around the world are not that different and that we can all share our research and practical experience through the journal. I would also like to thank all those supporters of *Property Management* that participated in the Australian Government's, Excellence in Research for Australia exercise which invited public comment on the ranking of research journals. Thank you to all those who took the time to make a submission in support of *Property Management*, I am hopeful that with this support the journal will be ranked as "A" when the 2012 ranking are published. Currently *Property Management* is ranked as a "B" which in itself is a good ranking and recognises the quality of the research published.

This issue has the usual five research papers and as indicated above these come from very different parts of the world and include two papers from Australia, and one each from Asia, Europe and Africa.

The first paper comes from research undertaken at the University of Melbourne and provides an in-depth analysis of the financing of housing markets and reflects on the changes brought about by the Global Financial Crisis of 2008 and the presence seasonal cycles in the market. The second paper in this edition is a case study that examines multi-storey residential apartment management in Hong Kong. The issues faced by property managers working within one of the world most densely populated cities provides many challenges and this paper reveals some of the strategies utilised to enlist homeowner participation in the management process.

The third paper, by Kupke and Rossini examines an issue that is faced in many of the large cities around the world, that of housing affordability and in particular the impact of high housing costs compared to income which presents a particular barrier to home ownership for first time buyers trying to enter the market. The paper while focused on the Australian market offers some insight into government strategies to try to alleviate the pressure on the housing stock and ever increasing house prices. Paper four reports on research undertaken at the Delft University of Technology in The Netherlands. This paper, like the previous paper, examines the issues surrounding the provision of sufficient and affordable housing. This paper examines government's role and that of the non-government, not for profit sector in developing and managing social housing projects. The paper discusses the strategic planning process and provides a model for development of social housing.

The final paper for this issue comes from Covenant University in Nigeria. This paper examines the difficulties faced by residential property managers in Nigeria in securing good quality tenants for investment properties. The paper reports on a survey of managing agents in Nigeria and establishes a ranking of the major factors that

influence the decision to accept or reject a tenancy application. The paper draws on similar research from a number of regions around the world and compares and contrasts this research with the experience of managers in this region of Africa.

I hope that the collection of papers in this edition provides both an academic analysis of property and market transactions as well as some practical tools that can be employed by professionals when evaluating property transactions. Please remember your feedback is always welcome.

Editorial

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Clive M.J. Warren



Harnessing real estate investment through proper tenant selection in Nigeria

Oni Ayotunde Olawande

*Department of Estate Management, College of Science and Technology,
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Real estate
investment

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Abstract

Purpose – The main objective of investment in real estate is to derive adequate returns from its management; selection of suitable tenants is one of the challenges to attaining this in Nigeria. Many prospective tenants of residential properties usually appear good at the recruitment stage but often become belligerent with grave challenge to the property managers. The paper aims to examine the criteria set by property managers in selecting residential tenants in Nigeria with a view to establishing a proper process for identification of potentially bad tenants at the recruitment stage.

Design/methodology/approach – The paper opted for an exploratory study with questionnaires administered to estate surveyors (professional property managers in Nigeria). Respondents were randomly selected based on Bartlett *et al.*'s model with margin of error set at 0.05, $p = 0.5$, and t -value = 1.96. Relative importance index analysis of the data was carried out to determine the ranking of the criteria.

Findings – The paper provides insight into tenant selection through proper process using a weighted scorecard. It suggests that an application of a scorecard will reduce the incidence of bad tenancy and enable investors to derive value from investment in real estate.

Research limitations/implications – The framework of tenant selection process adopted was based on criteria set by the respondents; researchers are therefore encouraged to test the applicability of the suggested weighted scorecard.

Practical implications – There are implications for development of computer software using the weighted scorecard to further ease the process of tenant selection and make it an inter-disciplinary study.

Originality/value – This paper identified the need for proper tenant selection to enable investors in residential property to harness adequate and remunerative return.

Keywords Property management, Selection of tenants, Estate surveyors, Bad tenants, Arrears of rent, Real estate, Investments

Paper type Research paper

1. Introduction

The motive for investing in real estate may be to boost personal ego, for speculative, precautionary and investment purposes. Speculative motive entails acquisition of real estate in anticipation of increase in price or utility to be derived in the future. The consumer of real estate for this purpose is concerned with future highest net gains when the property is offered for sale or lease. A consumer of real estate for precautionary motive is concerned with acquisition of real estate at the lowest price possible to cater for anticipated or unforeseen adverse situation. The investment motive is concerned with inflow of rental income, capital growth, outgoings, and net rental income on a regular basis. The investor is also concerned with security of the



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Facilities Manager's Desk Reference

Jane M. Wiggins

Wiley-Blackwell

Chichester

2010

657 pp.

Price: £39.99

ISBN: 978-1-4051-8661-2

This book is, as the title suggests, a reference manual for facilities management practitioners. It provides a very comprehensive evaluation of most of the major issues that any facilities manager is likely to face in the day-to-day management of property. The single author, Jane Wiggins has over 20 years experience in facilities management including working with British Airways and the BBC. She has also worked in the tertiary education sector and is a past chairperson of the British Institute of Facilities Management, Education Sector Forum.

As readers will have gathered from the authors biography this is a British based book and, as such, much of the content is UK focused. This is a particular issue when discussing matters related to landlord and tenant law or health and safety legislation as these have limited relevance to non-UK readers. To those in the UK this is obviously highly relevant material and to others there are still benefits in understanding an international perspective.

As would be expected from a reference manual the content is very wide ranging and commences with a brief history of the development of the facilities management profession dating back to the 1960s with its origins in the US. The following three chapters put the importance of facilities management in context, analysing the key drivers prominent in the contemporary workplace and the facilities management functions that are required to address these drivers. This then leads into a section that pulls together the all important strategic facilities plan and provides the foundation for good practice standards.

The next major section of the book deals with procurement of services and discusses the pros and cons of outsourcing as a procurement strategy together with contract management, financial management and project management as tools to the successful delivery of property management. These sections are very comprehensive and well written providing the reader with a good understanding of these essential management practices.

The remaining sections of the text deal with a range of subjects from practical maintenance issues through the health and safety aspects of facilities management and the areas of growing focus such as energy management. Other sections deal with space planning, new building and customer relations.

Overall this is a very useful text for any practitioner in the property or facilities management field providing a ready reference to a wide range of property management practices. It is also a very useful reference for students studying facilities management and wanting a very comprehensive introduction to the field.

Property Management

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Editorial scope

Written by researchers and academics it provides key information to researchers and forward-thinking professionals. It does not confine itself to UK theory and practice but aims to be an international forum in areas where transfer of thinking across national boundaries is feasible and relevant.

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