



# **FOUNDATION OF ESTATE MANAGEMENT**

**(AN INTRODUCTORY COURSE FOR THE TERTIARY INSTITUTIONS)**

**OLUFEMI DANIEL DURODOLA Ph.D**

**&**

**CHUKWUEMEKA OSMOND IROHAM Ph.D**

# **FOUNDATION OF ESTATE MANAGEMENT**

**(AN INTRODUCTORY COURSE FOR THE TERTIARY INSTITUTIONS)**

**First Edition**

By

**Olufemi Daniel Durodola Ph.D  
&  
Chukwuemeka Osmond Iroham Ph.D**

Department of Estate Management, Covenant University, Ota,  
Ogun State, Nigeria.



## *About the Book*

# FOUNDATION OF ESTATE MANAGEMENT

(AN INTRODUCTORY COURSE FOR THE TERTIARY INSTITUTIONS)

In twelve chapters, the book covers fundamentals of estate management, focusing on such issues as estate, estate management and the estate manager; management functions in estate management; estate ownership and control; estate management and its pervasive influence on the economy; estate planning, development, life cycle and problems of obsolescence; pertinent legislations in estate management; interests in land and motives for ownership and functions of estate management. Others include management techniques in estate management; accountability and accounting principles in estate management; marketing and entrepreneurship in real estate business and time management and the estate surveyor. The thirteenth chapter captioned “dialectic issues in estate management” examined topical issues such as scientific connection in estate management; mathematical and quantitative dimension in estate management; communication in estate management and sustainable development. Details of cited books and journal articles are appropriately referenced. There are fifty practice questions for inquisitive students and readers at large. The book is highly recommended for undergraduates, practitioners and those writing their professional examinations in architecture, building, estate management and quantity surveying.

FOUNDATION OF  
**ESTATE MANAGEMENT**  
(AN INTRODUCTORY COURSE FOR THE TERTIARY INSTITUTIONS)

Copyright © 2016 Durodola, Olufemi Daniel & Iroham,  
Chukwuemeka Osmond

All right reserved.

Printed in Nigeria

This publication may not be reproduced, stored in a retrieval system, or transmitted in whole or in part, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the authors.

**ISBN: 978-978-956-428-6**

Published by:



FLESEY NIG. LTD (Educational Publishers)

34, Babatunde Oduse Street,

Oko Filling, Ejigbo, Lagos, Nigeria.

Tel. 07033549442 and 09073006682.

E-mail: info\_flesey@yahoo.com

For further information or permission

All Correspondence to:

Flesey Nig Ltd, P. O. Box 9877, Shomolu, Lagos

Tel. 07033549442 and 09073006682.

E-mail: info\_flesey@yahoo.com

**Printed in Nigeria by:**

Tayo Falas Enterprises

94, Egbe Road, Beside Libra Motors,

Powerline Bus Stop, Ejigbo, Lagos, Nigeria.

Tel. 08034067935

E-mail: Tayofalas2013@yahoo.com

## **DEDICATION**

This book is dedicated to the first set of Estate Management Students of Covenant University, Canaan Land, Ota, Ogun State; whom we have the privilege to co-tutored and co-nurtured from part II to part V of their degree programme gracefully.

## ACKNOWLEDGEMENTS

In writing this book, we have drawn heavily on other sources following the conventions already well established in literature where we found them appropriate. This becomes imperative when it is noted that this book is fundamental and introductory to the profession and must necessarily touch on all aspects of the profession. This means, inevitably, that we must acknowledge the great debt, which this book owes to a number of authors:

Firstly, we are grateful to Almighty God for His infinite mercies and grace and for given us good health at this age and time to achieve the feat which we believe is the harbinger of greater things to come especially in book publications for the built environment. To God be all the Glory.

Secondly, we like to extend our warmest appreciation to our lecturers at the College of Estate Management Reading from whom we drew much inspiration. We relied to some extent our lecture materials and training particularly management, law, development practice, valuation, marketing and property management. We are particularly grateful to Owen A Bevan, the author of *Marketing and Property People*, which was one of the compulsory text books for us while on training. We so much admired and enjoyed the book those beautiful days

Thirdly, we appreciate the efforts of Dr Olukayode Somoye, the Co-ordinator of the MBA Class at University of Ado-Ekiti, Ekiti State, from whom we receive a reasonable dose of investment analysis.

Fourthly, we are very grateful to our lecturers at the Ph.D class at Covenant University for their proddings on publications; in particular, Professor C.A. Ajayi, Dr (Mrs) M.M. Omirin and Professor Daramola Adedeji and Professor Koleola Odusami. Professor Koleola Odusami and Professor Olusegun Ogunba had been very instrumental to our venture into Ph.D programme and so committed to the extent of searching for and obtaining materials at their own expense. Professor S.A. Oloyede and Professor Segun Ogunba despite their tight schedules graciously agreed to proof read the initial manuscript and effected valuable

corrections while the final proof reading reverted to Professor S.A. Oloyede. We are indeed exceedingly grateful to you all. It has been a wonderful experience for us. However, despite the fact that these quality assurance efforts had been dexterously implemented, any error, no matter how minute, so detected, is ours and we wholeheartedly accept the blame. It is all part of 'sharpening the saw'. "Apology to Stephen Covey the author of 7 Habits of Effective People".

With humility, we do indeed appreciate the founder and the Chancellor of Covenant University, Dr David Oyedepo, for his visionary ingenuity in establishing the university and the Ph.D training programme from which we have benefitted tremendously. It was Marcel Proust who once said "Let us be grateful to people who make us happy; they are the charming gardeners who make our souls blossom". You have made our souls to blossom indeed. Kudos for the boon.

Finally, warmest regard goes to all our family members whose encouragement; love and support provided both the fuel and the passion that brought this book to fruition. In particular, we are grateful to Oluwafijinmi Durodola who imputed the bulk of the manuscript into the computer, working tirelessly and assiduously all day long.

## **FOREWORD**

I have gone through this book with eagerness having known the authors of the book intimately over a period of ten years, as colleagues in the same Department. The title of the book is a reflection of the upbringing of one of the authors of the book – Dr Durodola. He started as a graduate of the Building Department of Obafemi Awolowo University, Ile-Ife, went all the way, while fully engaged in the construction industry, to acquire relevant qualifications that enabled him become a fellow of the Royal Institution of Chartered Surveyors (FRICS) as well as an associate member of the Nigerian Institution of Estate Surveyors and Valuers (ANIVS) as well as a registered member of Estate Surveyors and Valuers Registration Board of Nigeria based on his heart's burning desire for the unlimited treasures in real estate profession. Similarly, the Co-author - Dr Iroham (ANIVS/ESV), having been fully professionally qualified, identified with the virtues of his mentor, joined hands with him over the years to produce a book that has been designed to ease the challenges faced by young minds eager to come to grips with the fundamentals of estate management. As a Land Inspector in my youthful years with Oyo State Ministry of Lands and Housing, Ibadan in the 1960s during government land acquisition and compensation of Igbogila Farm Settlement Scheme; Federal Mortgage Bank of Nigeria in the 1970s to 90s, where individual home ownership, control and accountability were put to test over time coupled with ten years of lecturing young minds on estate management issues, each at Obafemi Awolowo University, Ile-Ife and Covenant University, Ota to date, it is easy to understand why I have been chosen to write the forward to this book.

Putting together the basics a starter needs to know about estate management is an interesting but challenging task because of the assumed knowledge of humans on issues concerning land and land related matters bearing in mind individual's local varying interests and assumed powers forgetting that the State has a final stake in the overall interest of humanity. The authors have craftily introduced various professionals who, one way or another, must team up to address complex activities of man in the environment. Despite the synergy of efforts, the authors took time to specify, in details, the specialties of the estate surveyor and valuer.

I have found the book quite educative and simple but very detailed for a searching and thirsty soul who aspires to make a comfortable living on real estate resources – the three basic necessities of life. Ability to be a successful estate



surveyor and valuer derives from one's capabilities in identifying with the various human interests in land and motives for land ownership with the attendant legal challenges. In addition, the book represents simple and explicit presentation of principles and their applications, as well as, prepares the reader's mind to expected societal reactions, sentiments, insinuations that can only be peacefully resolved through team work among all professionals involved in the real estate business and members of the society at large. The book is a must own and read material for any real estate business-minded person, even after retirement from service.

**Professor Samuel A. Oloyede**

Department of Estate Management,  
Covenant University, Ota, Ogun State, Nigeria

## Table of Contents

	Pages
Title Page	i
About the Book	ii
Copyright	iii
Dedication	iv
Acknowledgements	v
Foreword	vii
Table of Content	ix
Schedule of Tables	xiii
Schedule of Figures	xiv
Preface	xv
<b>Chapter One:</b>	
<b>Estate, Estate Management and the Estate Manager</b> ...	1
1.1 Introduction	1
1.2 Estate as Investment Outlet	1
1.3 Estate Management	4
1.4 The Estate Manager	6
1.5 Academic and Practical Pre-requisite for Becoming a Surveyor	9
1.6 Professional Institutions Responsible for Regulating and Controlling the Profession	10
1.7 Historical Background of The Royal Institution of Chartered Surveyors, London	10
1.8 The Nigerian Institution of Estate Surveyors and Valuers	11
1.9 Chapter Summary and Concluding Remarks	12
<b>Chapter Two:</b>	
<b>Management Functions in Estate Management</b> ...	14
2.1 Introduction	14
2.2 Understanding Management	14
2.3 Other Proponents of Management Thinking	18
2.4 Understanding Organizations	19
2.4.1 Structural Form of an Organization	21
2.4.2 Organization's Goal and Objectives	24
2.4.3 Relationship, Authority and Responsibility in Organizations	26
2.4.4 Planning and Controlling of Organization's tasks	27
2.4.5 Forecasting, Co-ordinating, Motivating and Communicating	28
2.5 Applying Management Principles in Estate Management	30
2.6 Chapter Summary and Concluding Remarks	31
<b>Chapter Three:</b>	
<b>Estate Ownership and Control</b> ...	32
3.1 Introduction	32
3.2 Estate Ownership	32

3.3	Tenure and Estate Distinguished ... ..	33
3.4	Land Tenure System in Nigeria: An Introduction ... ..	36
3.5	Land Use Decree ... ..	37
3.6	Public and Private Control of Land ... ..	39
3.7	Building and other Controls ... ..	41
3.8	Chapter Summary and Concluding Remarks ... ..	42

**Chapter Four:**

<b>Estate Management and its Pervasive Influence</b> ... ..		43
4.1	Introduction ... ..	43
4.2	Section One: - Economic Conundrum of Estate Management	43
4.3	Section Two: - Social Conundrum of Land and Buildings	45
4.4	Section Three: - Legal Conundrum of Land and Buildings	48
4.5	Section Four: - Technical Consideration in Estate Management	50
4.6	Section Five: - Political Dimension of Estate Management	51
4.7	Section Six: - Environmental Dimension of Estate Management	52
4.8	Chapter Summary and Concluding Remarks ... ..	53

**Chapter Five:**

<b>Estate Planning, Development, Life Cycle and Problems of Obsolescence</b> ... ..		54
5.1	Introduction ... ..	54
5.2	The Historical Background of Estate Development in Nigeria	55
5.3	Understanding Planning in Estate Development ... ..	58
5.4	The Stakeholders in Development Process ... ..	62
5.5	Estate Plan, Estate Life Cycle and Problems of Obsolescence	64
5.6	Chapter Summary and Concluding Remarks ... ..	69

**Chapter Six:**

<b>Pertinent Legislations in Estate Management</b> ... ..		70
6.1	Introduction: Introduction ... ..	70
6.2	Meaning of Property Explained ... ..	70
6.3	Estate Manager's Focus and the Laws ... ..	71
6.4	Chapter Summary and Concluding Remarks ... ..	74

**Chapter Seven:**

<b>Interests in Land and Motives for Ownership</b> ... ..		75
7.1	Introduction ... ..	75
7.2	Land Ownership ... ..	75
7.3	Motive for Land Ownership ... ..	76
7.4	Land Law ... ..	76
7.5	Legal Interests ... ..	77
7.6	Chapter Summary and Concluding Remarks ... ..	78

**Chapter Eight:**

<b>Functions of Estate Management</b>	...	...	79
8.1 Introduction	...	...	79
8.2 Estate Management Definitions: An Exploration	...	...	79
8.3 Real Estate and other Investments: A Comparative Appraisal	...	...	84
8.4 Real Roles of Estate Management	...	...	85
8.5 Yield an Exploration	...	...	86
8.6 Assessing Commercial Profitability of Investment Projects	...	...	88
8.7 Chapter Summary and Concluding Remarks	...	...	89

**Chapter Nine:**

<b>Management Techniques in Estate Management</b>	...	...	90
9.1 Introduction	...	...	90
9.2 Property Development Process	...	...	90
9.3 The Planning Tools in development Activities	...	...	92
9.3.1 The Gantt or Bar Chart	...	...	92
9.3.2 Network Analysis	...	...	94
9.3.3 Use of Dummies	...	...	97
9.3.4 The Determination of Critical Path	...	...	98
9.3.5 The Float	...	...	100
9.3.6 Uses of Critical Path Analysis	...	...	100
9.4 Linear Programming	...	...	101
9.4.1 Linear Programming Assumptions	...	...	101
9.4.2 Basic Data Requirements	...	...	102
9.4.3 Graphical Linear Programming	...	...	102
9.5 The Line of Balance Technique	...	...	104
9.6 Chapter Summary and Concluding Remarks	...	...	104

**Chapter Ten:**

<b>Accountability and Accounting Principles in Estate Management</b>	...	...	105
10.1 Introduction	...	...	105
10.2 Need for Accounting Knowledge for Surveyors	...	...	106
10.3 Introduction to Basic Accounting Principles	...	...	107
10.3.1 Accounting Method	...	...	109
10.3.2 Accounting Bases	...	...	110
10.3.3 Accounting Principles	...	...	110
10.3.4 Accounting System	...	...	111
10.4 Accounting Operations	...	...	112
10.4.1 Common Accounting Terms and Abbreviations	...	...	112
10.4.2 Accounting Documents	...	...	114
10.4.3 Accounting Operations	...	...	115
10.5 Property Management Records	...	...	116
10.5.1 The Estate Records	...	...	118
10.5.2 The Estate Account	...	...	118

10.5.3 Wages and Pay As You Earn (P.A.Y.E) ...	118
10.5.4 Rent Ledgers ...	119
10.5.5 Fire Insurance ...	119
10.5.6 Service Charge ...	120
10.5.7 Forecasting or Assessing Profit (or Loss) Figures ...	120
10.6 Chapter Summary and Concluding Remarks ...	121

**Chapter Eleven:**

<b>Marketing and Entrepreneurship in Real Estate Business</b>	122
11.1 Introduction ...	122
11.2 Marketing; Marketing Research and Entrepreneurship Inter-Relationship	123
11.3 Entrepreneur and the Competitive World ...	129
11.4 Marketing Tactics of the Property Entrepreneur ...	133
11.5 Marketing Research and the Entrepreneur ...	136
11.6 Chapter Summary and Concluding Remarks ...	139

**Chapter Twelve:**

<b>Time Management and the Estate Surveyor</b> ...	140
12.1 Introduction ...	140
12.2 Characteristics of Time ...	140
12.3 Ways of Managing Time ...	145
12.4 Ways of Handling Time Effectively ...	148
12.5 Chapter Summary and Concluding Remarks ...	153

**Chapter Thirteen:**

<b>Dialectical Issues in Estate Management</b> ...	154
13.1 Introduction ...	154
13.2 The Scientific Connection in Estate Management ...	154
13.3 Quantitative Dimension in Estate Management ...	158
13.4 Communicating - An Essential Estate Surveyor and Valuers' Tool	161
13.5 Sustainable Development in Estate Management ...	179
13.5.1 Issues in Physical Development ...	179
13.5.2 Sustainable Development ...	181
13.6 Chapter Summary and Concluding Remarks ...	183

References ...	184
Appendix I: Schedule of Examination/Practice Questions ...	186
Index ...	198

**Schedule of Tables**

Table	Title	Page
2.1	Management Processes in Relation to Estate Management	16
2.2	Schools of Management Thought	18
4.1	Cities, Population and Required Housing Development per annum	47
5.1	Housing Programmes 1970/74 Development Plan	56
5.2	Housing Programmes in 1975//80 National Development Plan	57
5.3	Schedule of Professionals and Documents' Output	60
10.1	Typical Record in Estate Accounts	118
10.2	Typical Rent Ledger	119
10.3	Typical Record for Property Insurance	119
10.4	An Income Profit Forecast	121
13.1	Schedule of Estate Surveyor's Products and Associated Documents	165
13.2	Entrepreneur Profile and Attributes	168

**Schedule of Figure**

<b>Figure</b>	<b>Title</b>	<b>Page</b>
2.1	Organization Chart of a One Man Business	21
2.2	Military Pattern of Organization	22
2.3	Specialist Pattern of Organization	22
2.4	Typical Line and Staff Pattern of Organization	23
4.1	Maslow's Hierarchy of Needs	46
5.1	Design Process Terminologies	60
5.2	Levels of Product	65
5.3	Product Life Cycle	66
8.1	The Break-Even Model	83
9.1	Sequential Bar Chart Letter Writing and Postage	93
9.2	Standard Bar Chart for Letter Writing and Postage	93
9.3	Activities on Arrow Diagram	94
9.4	Typical Arrow and Node System	95
9.5	Typical Merging Events	95
9.6	Typical Burst Events	96
9.7(a)	Network for Trench Excavation Arranged Sequentially	96
9.7(b)	Standard Network Diagram for Trench Excavation	96
9.8(a)	A Network for a Small House	97
9.8(b)	Re-Drawn Network for a Small House	97
9.9(a)	A Network for Determining Critical Path	98
9.9(b)	Completed Network with Critical Path	98
9.9(c)	Typically Finished Network Diagram	99
9.10	Float Determination	100
9.11	Completed Linear Programming Diagram	103
10.1	Issues Involved in Property Management	117
11.1	The Marketing Management Process	127
11.2	The Four Ps of the Marketing Mix	128
11.3	Factors Influencing Company Marketing Strategies	134
12.1	President Bush Itinerary	146
12.2	The Process of Control	148
13.1	Development of Theory	156
13.2	Processes of Management	167
13.3	Levels of Management	168
13.4	Formulation of Strategy	169
13.5	Relationship between Source and Destination of Information	174

## PREFACE

At separate times, we were called upon to lecture the 100-level students of Estate Management Department of Covenant University on 'Introduction to Estate Management' which runs for two semesters, Alpha and Omega. This assignment necessarily imposed on us the need to examine the syllabus of other universities offering estate management programme including the National University Commission's (NUC) benchmark. It was clear that the programme is compulsory everywhere and that basically it is a programme designed to give a bird eye view of the requirements of the professional calling of the estate surveyor and valuer. That means every aspect of the programme of estate management must be reviewed including peripherals that are of importance to the profession.

In the course of this assignment, the glaring problems include: -

- Textbooks to use
- Sourcing for the books and
- Cost of the books

The books that should be used are many and they are drawn from: -

- Valuations
- Housing
- Management
- Construction
- Building Economics
- Entrepreneurial Development
- Building design etc.

The questions then were: -

- How many books can you recommend to students to read for a particular two units course, which will be thorough and accessible?
  
- Are these books actually available for procurement and at what price?

The truth is that many of these books are not available locally and the ones that are available are expensive compared to the resources of the students, moreover the content of the books are not wide and deep enough in covering the requirements of the course. Besides, the books are not written in 'grasp the facts' style that is so helpful to the students and "do it yourself (DIY)" readers inquisitive



of land matters. Further, the students of the present dispensation are not even interested in spending their money on books but on mundane things of the world. The solution to us is to come up with a book locally written, which is comprehensive enough to cover all aspects of the course instead of having to search for details in so many books. Besides, such a book will be cheaper, accessible and easily understood since many examples given are drawn from the local environment. Thus, this book is written to among other things; -

- ❑ Tackle local shortages of books in this area of the profession
- ❑ Provide a comprehensive book for the students
- ❑ Make the book available at economic price to the students.

The book is written for students in institutions of higher learning; that is, the polytechnics and the universities and for practitioners for re-brushing their memories and for investors who need to know what estate is all about for the purpose of investment and as an instrument for portfolio diversification. For lecturers, the book is a ready-made notebook and for students, a companion to achieve excellent results in courses like introduction to estate management, nature of environmental science, introduction to accounting and a peep into feasibility and viability studies. It is hereby commended for reading and for learning.

Olufemi Daniel Durodola Ph.D and Chukwuemeka Osmond Ph.D  
(August, 2016)

## *About the Authors*



Olufemi Daniel Durodola holds a Bachelor of Science and Master of Science Degrees in Building Technology and Construction Management Respectively from University of Ife; now Obafemi Awolowo University, Ile-Ife, Nigeria and then a PhD Degree in Estate Management from Covenant University, Ota, Ogun State, Nigeria. Other academic qualifications include a professional Diploma in Estate Management from College of Estate Management, Reading, United Kingdom (UK) and a Master of Business Administration from University of Ado-Ekiti now Ekiti State University, Ado-Ekiti. He is a professional member of the Royal Institution of Chartered Surveyors, UK (FRICS), the Nigerian Institute of Quantity Surveyors (ANIQS), the Nigerian Institute of Building (NIOB) and the Nigerian Institution of Estate Surveyors and Valuers (ANIESV). He is fully registered with Quantity Surveyors Registration Board of Nigeria (QSRBON), Council of Registered Builders of Nigeria (CORBON) and Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON). Since graduation in 1981, Durodola worked for over twenty-five years in the construction sector of the economy; starting first with Paulosa Nig Ltd, Benin City and second with Costain (W.A) Plc and then commenced Dan Associates (Chartered Surveyors), a firm of Quantity Surveyors and Estate Surveyors and Valuers. He ventured into Lectureship in 2003 and currently, he is an Associate Professor of Estate Management in the Department of Estate Management, Covenant University, Ota, Ogun State, Nigeria. He has numerous journal articles including conference papers focusing on facilities management, valuation and management. His first book was on facilities management, published by Lambert Academic Publishing, Germany. He is happily married with children.



DR. IROHAM, Chukwuemeka Osmond attended the most prestigious Government College Umuahia between 1988 and 1993 where he passed out with flying colours. He Graduated from Abia State University Uturu, in September 2000 with a Second Class Honours (Upper Division) Degree in Estate Management. He had a little stint in Diya Fatimilehin and Co. and Ora Egbunike and Associates (Estate Surveying Firms). On September 1, 2004 He resumed as A Graduate Assistant in Covenant University where he bagged a Masters Degree in Estate Mgt and thereafter bagged his PhD in Estate Management from the same Covenant University in 2012. He has several Professional Qualifications to his credit. Amongst which are Member, Nigerian Institution of Estate Surveyors and Valuers, Registered Estate Surveyor and Valuer, Associate Member, Nigerian Institute of Management, Member African Real Estate Society, Member of the International Society of Development and Sustainability, Fellow Strategic Institute for Natural Resources and Human Development, and Fellow Certified Institute of Auctioneers, Nigeria. He is the Principal Consultant of Osmond Iroham & Associates, a firm of Estate Surveyors, Valuers and Certified Auctioneers. He is presently a Senior Lecturer and the Head of Department of Estate Management, Covenant University, Ota Ogun State and has several publications spanning across issues, in behavioural property valuation and real estate marketing and finance where he has a niche for academic research.

Published by



Educational Publishers



978-978-956-428-6