

27TH ANNUAL CONFERENCE OF THE
EUROPEAN REAL ESTATE SOCIETY

**USAGE QUALITY ASSURANCE TEST IN INVESTMENT BUILDINGS:
NEED FOR PARADIGM GUIDELINES- *NEW TASKS FOR ESTATE
SURVEYING AND VALUATION***

THEME H: NEW TECHNOLOGY AND DATA IN REAL ESTATE

PRESENTER

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PAPER CONTENT

- **INTRODUCTION**
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- **METHODOLOGY –**
 - RESEARCH DESIGN- POPULATION FRAME, SAMPLE SIZE, DATA COLLECTION
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 - STRENGTH AND WEAKNESSES
 - OPPORTUNITIES AND THREATS
- **THE NEW NORMAL-**
 - NEW TASKS ON QUALITY ASSURANCE IN INVESTMENT BUILDINGS
 - GUIDELINES FOR MEETING THE NEW NORMAL
- **CONCLUSIONS**

INTRODUCTION

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• INTRODUCTION

- INVESTMENT BUILDINGS:
- DESCRIPTION
 - INCOME YIELDING,
 - RESIDENTIAL AND MULTI-USES,
 - LARGEST BASE OF NATIONS
 - PHYSICAL ASSETS,
 - ECONOMIC DEVELOPMENT OF COMMUNITIES
- PROBLEM: FREQUENT BUILDING COLLAPSE IN NIGERIA
 - UNDER CONSTRUCTION
 - WHILE IN-USE
- NEGATIVE IMPACTS: TRENDS IN
 - LOSS OF INVESTMENT CAPITAL
 - LOSS OF RETURNS
 - LOSS OF LIVES AND PROPERTIES
 - LOSS OF REPUTATION

METHODOLOGY

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- STUDY AREA SELECTION:
 - HIGHLY INSECURE
 - SECURE LOCATIONS
- ADOPTED APPROACH:
 - EXPLORATORY SURVEY,
 - ILLUSTRATIVE EXPERIMENT
- POPULATION FRAME:
 - ESTATE SURVEYORS AND VALUERS (ACADEMIC AND PRACTITIONERS)
- SAMPLE SIZE: 30 RESPONDENTS (AT LEAST ONE PER STATE)

METHODOLOGY

- **SAMPLING TECHNIQUE:**
 - SIMPLE RANDOM SAMPLING TECHNIQUE WITHOUT REPLACEMENT
- **ANALYSIS METHOD:**
 - RELATIVE IMPORTANCE INDEX,
 - SWOT ANALYSIS TECHNIQUE
 - CONCEPTUAL MODELLING
- **PRESENTATION:**
 - TABLES,
 - ILLUSTRATIONAL FIGURES

FINDINGS – ADOPTED GUIDELINES

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- **GUIDELINES/STRENGTHS:**

- CONTROL OF ELECTRICITY CURRENT LEAKAGES INVESTMENT BUILDINGS
- WALL CRACK HISTORY DOCUMENTATION AND REMEDYING
- FLOOR CRACKS OR INSTABILITY AND MAINTENANCE
- INDICATING INSECTS/REPTILES/RODENTS HABITATIONS
- FACILITY CARRYING CAPACITY DETERMINATION
- CROWD MANAGEMENT
- PLUMBING FAULT DETECTION
- VIBRATION CONTROL/MANAGEMENT ISSUE INDICATING ENVIRONMENTAL THREATS TO REAL ESTATE FACILITIES
- CAVING OR LOSING ROOF
- UNHEALTHY SOCIAL ACTIONS
- FIRE DETECTION AND MANAGEMENT
- AGE AND USAGE HISTORY REPORTING

FINDINGS

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- **WEAKNESSES**

- LACK OR INSUFFICIENT PROFESSIONAL EXPOSURE AMONG MEMBERS
- FACILITIES/TECHNOLOGICAL EXPOSURE FACILITY/DEVICES COSTS
- POOR DATA KEEPING
- VALUATION METHODS WITH OFTEN SUPERFICIAL DATA
- DEARTH OF PROPERTY USAGE AND ENVIRONMENTAL HAZARD DATA
- CORRUPTION

FINDINGS – ADOPTED GUIDELINES

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- **OPPORTUNITIES**
- JOB CREATION
- DEFINING PROFESSIONAL SERVICE JURISDICTIONS
- UPGRADING PROFESSIONAL TRUST AND INTEGRITY
- REAL ESTATE FACILITY DATA-BANKING (RIV =
- RISK CONTROL
- COMPENSATION REDUCTION
- TENANCY/SPACE ALLOCATION REVIEW
- ALERTNESS
- EMERGENCY ALERTNESS
- RENTAL VALUE DECISIONS

FINDINGS – ADOPTED GUIDELINES

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- **THREATS**
- FEAR OF LOSING JOBS
- MORE SERVICE COSTS, DISRUPTION OF INFLOW OF INVESTMENT RETURNS
- FEAR OF RESPONSIBILITY/ACCOUNTABILITY
- CONVICTING OWNERS FOR ILLEGAL CONVERSION OF PROPERTY USE
- THREATENED EVICTION OF DEFAULTING OCCUPANTS
- POSSIBLE INCREASE IN GROSS RENT CHARGES
- NONCHALANT BEHAVIOUR OF FACILITY OWNERS ON NEIGHBOURHOOD-RELATED THREATS

FINDINGS – ADOPTED GUIDELINES

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- WAY FORWARD
- INTRODUCE THE APPROPRIATE SCIENTIFIC COURSES TO ADDRESS THE GAP IN ACADEMIC KNOWLEDGE IN THE ACADEMIC CURRICULUM
- HOLD WORKSHOPS AND SEMINARS TO UPGRADE PRACTICING PROFESSIONALS
- SENSITIZE MEMBERS ABOUT USQUAT
- CONSIDER MORE ROBUST DELIBERATION TO MAKING USQUAT WORKABLE POLICY FOR ACADEMICS AND PRACTITIONERS AND STAKEHOLDERS IN THE MDAS
- ESCHEW SHARP PRACTICES WITH ILLICIT INVESTORS
- BE MORE RESPONSIBLE, ACCOUNTABLE AND TRANSPARENT

Illustrative experimentation



Figure 3.2: Property A with excess live load Figure 3.3: Property A with minimal live load

CONCLUSION

- AT THIS POINT IN THE HISTORY OF THE COUNTRY, THE ESTATE SURVEYORS AND VALUERS MUST RISE TO THE CALL FOR DRASTIC MEASURES TO **UPGRADE THE STANDARD OF FACILITIES MAINTENANCE AND MANAGEMENT PRACTICES AND RESTORE** THE HOPE OF SUSTAINING THE COUNTRY'S REAL ESTATE AND ECONOMIC DEVELOPMENTS BY CONSIDERING THE **SCIENTIFIC AND TECHNOLOGICAL KNOWLEDGE THAT MEETS THE TASK OF EFFECTIVE AND TRANSPARENT MANAGEMENT OF INVESTMENT BUILDINGS**. COLLECTIVE RESOLVE TO **EMBRACE STANDING FACILITY USAGE QUALITY ASSURANCE POLICY** WILL BE IDEAL STEP TO CONQUER THIS PROBLEM IS ADEQUATELY REVIEWED AND ADOPTED AS LEGAL DOCUMENT FOR INVESTMENT BUILDINGS.



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THANK YOU



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ABSTRACT

Introduction: Since the wake of the 21st century, rising cases of collapsing investment buildings, renters' rejection of properties structurally unfit as business or residential accommodations, and ongoing sealing of suspected weak buildings especially in Nigeria has become a source of serious concern. It is no longer news that the financial/other benefits from many housing investments and owner-occupied homes might be on-the-line sequel to risks of degenerating building conditions in-spite of assurances by the building contractors that their properties would last a hundred years. It has become imperative to make evaluation reports regarding the usage-to-carrying capacity status of these buildings in maintenance and valuations as sustainability measures in directing investors' decisions and government actions regarding usage compliances among housing occupiers and owners of real estate facilities. A sincere transformation in the way housing is managed is the key direction.

Goal: This paper makes strong case for mandatory technical checks in real estate facilities before and during letting as measures to checking this ugly trend of building collapses affecting investments and owner-occupied properties. It therefore

ABSTRACT

recommends the designing of housing quality test assurance policy applicable on all in-use and to-use facilities to eliminate/reduce significantly usage impacts on the lifespan of real estate facilities, its effects of investors' decisions and public trusts on the Estate Surveyors and Valuers competence to guarantee sustainable durability and financial growth especially for investment-driven real estate developments.

Methodology: Nigeria is taken as study area. Author sort the contributions of 30 Practicing Estate Surveyors managing properties in 20 out of 36 states of the federation by conducting structured exploratory interviews to verify the inclusivity of quality tests in real estate investment practices in Nigeria. The questionnaire was evaluated using the SWOT Analysis technique to substantiate the lack and need for such tests by practitioners. Also, the illusionary experimentation was employed to demonstrate the gap in reporting housing durability alterations and its impact on durational and financial decision projections in real estate facilities. Study outcomes were assessed using descriptive analysis techniques and presented on suitable tables.

ABSTRACT

Findings: Qualitative Usage Assurance Tests in real estate facilities has not been in in-depth considerations; many houses are let without conducting stability impact tests, lack operational evaluation and most often has irregularly-graduated depreciation effects on their durability. Findings also shows possible future risks of more collapses in high density urban buildings capable of undermining the advisory competence of Estate Surveyors and Valuers in handling Investments in Real Estate Facilities.

Conclusion: Usage Quality Assurance Test should be stepped up as mandatory service in business or multi-level properties, certified by an Estate Surveyor and Valuer to guard the nation against unprecedented records of abrupt investment losses. This is wake-up call to the profession to reconsider the use-to-value implications of facility spaces before, during and after letting to properly guide the investment decisions and project plans of investors in real facilities.

Originality: This study is the first-ever attempt to introduce and advance the application of technical reporting practices on real estate facilities. It is an eye-opener to possible gaps and solutions to checking causes of distrust in professional reports regarding structural durability and usage reductive effects on investment values of real estate facilities.

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