

## HUMAN CAPACITY TRAINING FOR SECURITY OF LIFE, PROPERTY AND INVESTMENT: A CHALLENGE FOR ESTATE MANAGEMENT EDUCATION

Udoekanem, N. B.

Department of Estate Management,  
Federal University of Technology Minna, Niger State, Nigeria

e-mail: [namnsoudoekanem@futminna.edu.ng](mailto:namnsoudoekanem@futminna.edu.ng)

Mobile: +2348023741703

### Abstract

*Security of life, property and investment are essential requirements for the growth and development of any nation. This paper examines human capacity training for security of life, property and investment in the context of the present-day curriculum of Estate Management programme in tertiary institutions in Nigeria. The paper argues that areas of knowledge such as property insurance, computer-aided facilities management and property investment appraisal, which would enable real estate professionals play their roles effectively in the security of life, property and investment are still marginal within the Estate Management curriculum. The paper concludes that increased emphasis on these areas of knowledge by estate management educators is necessary if sustainable human capacity building for security of life, property and investment must be achieved.*

Keywords: Estate Management Curriculum, Human Training, Investment, Property, Skills

### Introduction

The right to life and right to acquire and own property are fundamental human rights in Nigeria. These rights are recognized by the 1999 Constitution of the Federal Republic of Nigeria. On the other hand, investment involves the commitment of a capital sum for benefits to be received in the future in the form of an income flow or capital gain or a combination of both (Hargitay and Yu, 1993). According to Gitman and Joehnk (1984), investment is a vehicle into which funds can be placed with the expectation that they will be preserved or increased in value and or generate positive returns. Baum and Crosby (1988) argue that an investment can generate positive returns in three ways. These are; by generating a flow of income; by generating a return of capital and by producing a psychic income. Millington (1982); Baum and Crosby (1988); Hargitay and Yu (1993); Richmond (1993) and Kalu (2001) have identified property as a type of investment. Property investment may be direct or indirect. Hargitay and Yu (1993) believe that direct property investment covers direct ownership of commercial, industrial, residential and agricultural property interest. Indirect property investment involves taking an indirect stake in property by acquiring the shares of property companies, property bonds, real estate investment trusts among others. Thus, the right to acquire and own property

is the right to investment. This right cannot exist except there is right to life. The security of these rights is essential for a dynamic economy. This paper is concerned with human capacity training for security of life, property and investment as a challenge for Estate Management Education in Nigeria.

In the present-day Estate Management curriculum, the development of requisite skills in security of life, property and investment is not given adequate attention. This has hindered the effectiveness of real estate professionals in this regard. Thus, what is responsible for the marginal nature of courses capable of developing these requisite skills in the Estate Management curriculum? What areas of knowledge can develop these skills and what is the strength of the Estate Management programme in imparting these areas of knowledge? This paper seeks to answer these questions as well as identify what should be done to impart areas of knowledge which skills are necessary for real estate professionals to play effective role in security of life, property and investment.

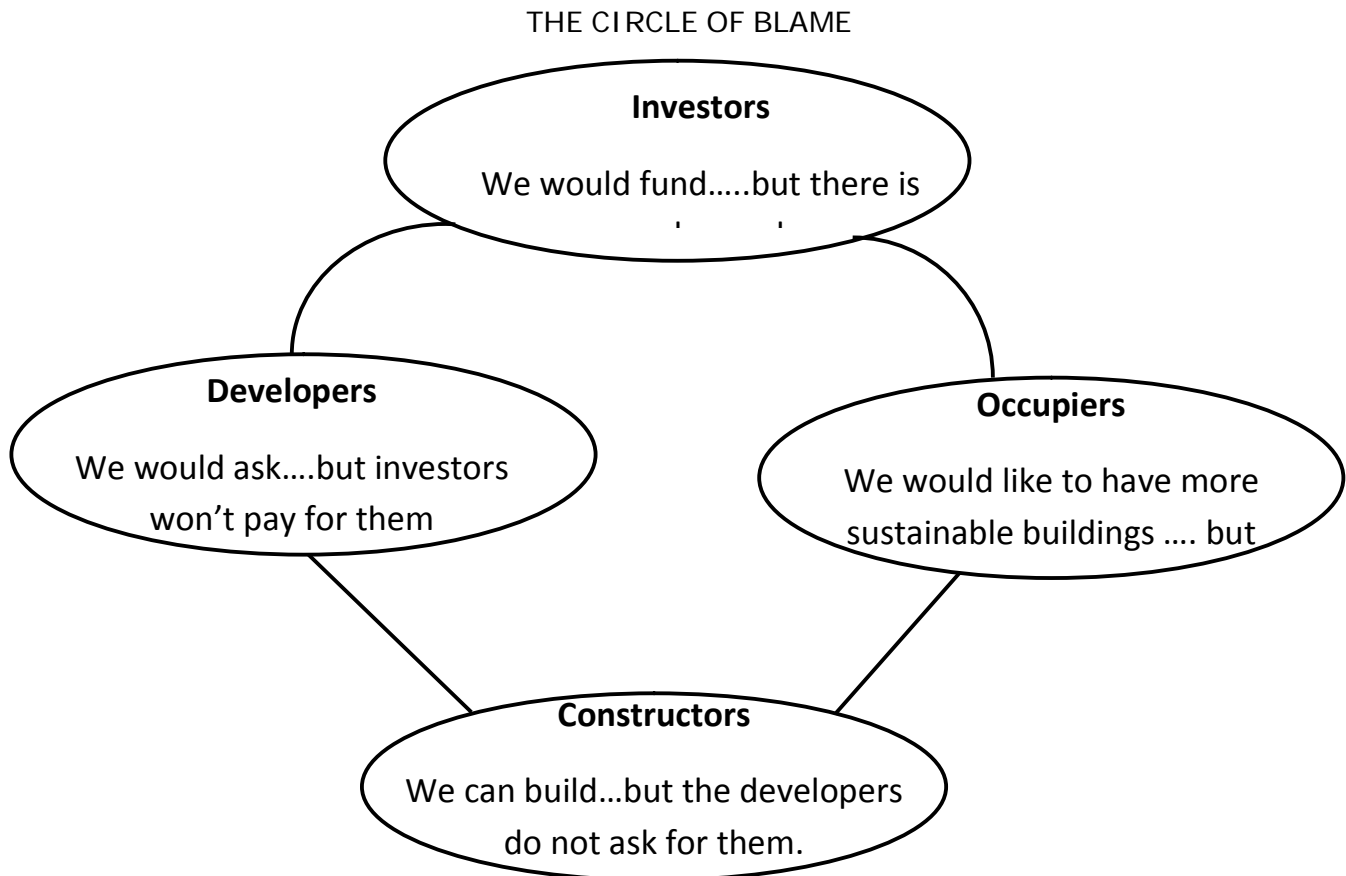
#### Effect of Insecurity on Life, Property and Investment

Insecurity denotes a state of lack of protection of human life, property and investment. As explained in the Global Environmental Change and Human Security Services Plan (GECHS, 1999), human security is achieved when and where individuals and communities have the options necessary to end, mitigate or adapt to threats to their human, environmental and social rights; have the capacity and freedom to exercise these options; and actively participate in pursuing these options. With emphasis on the situation in the Niger Delta region of Nigeria, Chikuezi (2006) argued that insecurity is a hindrance to sustainable development in Nigeria. Sustainable development is development that meets the needs of the present without compromising the ability of the future generation to meet their own needs (Brundtland, 1987). It also involves continuity of economic, social, institutional and environmental aspects of human society as well as non-human environment.

#### The Need for Security of Life, Property and Investment

For a nation to achieve sustainable economic growth and development there is need for security of life, property and investment of its citizens. However, absence of effective security of life, property and investment may result in lack of economic, social and environmental sustainability. Lack of sustainability in relation to real property assets may create conflict among

investors, occupiers, constructors and developers of real property or what the sustainable construction Task Group (2000) describes as Circle of Blame. This is illustrated in the figure below:



**Source:** Sustainable Construction Task Group (2000)

Lewis; Sayce and Ellison (2005) argue that under the Circle of Blame hypothesis, the lack of success in embedding sustainability within the built stock is caused, not by a lack of environmental knowledge, but by a market failure to respond. Hence, where there is lack of sustainability coupled with insecurity, investors may be willing to fund or invest in real property but there is no demand for such properties as occupiers are unwilling to pay for them. Also, developers are uninterested in developing real properties in areas where there is no environmental protection and sustainability. Thus, if the Circle of Blame could be broken and replaced by a virtuous circle in which sustainable buildings that support environmental and social objectives became those most in demand by occupiers and investors, and therefore the

buildings of choice of developers, there would be real evidence of built environment's commitment to the drive for sustainability and the potential for significant change over time (Lewis et al, 2005). This would involve paying greater attention to security issues in relation to real property and the investments there in.

#### Review of Estate Management Curriculum

Estate Management is concerned with the valuation, feasibility and viability appraisals, taxation, management, development and utilization of land and resources inclusive of estates and interests thereof, as strongly rooted in philosophical and socio-economic foundations of their relationship to man, society and the environment (University of Nigeria, n.d). The Estate Management programme in universities and polytechnics in Nigeria is designed to prepare graduates for professional practice in property valuation, property and facilities management, property development, land settlement, real estate taxation and rating valuation, feasibility and viability appraisals. Although the Estate Management curriculum in Nigeria has undergone changes over the years, the stress areas within the curriculum have remained unchanged. According to the Academic Brochure of the Department of Estate Management, University of Nigeria (n.d), these stress areas are as follows:-

1. Land Policies and Resources Development
2. Valuation
3. Feasibility and Viability Appraisal
4. Property Management
5. Rating and Other Forms of Land Taxation
6. Estate and Development Finance
7. Dissertation

However, emerging challenges in human resources development in the Nigerian real estate industry such as human capacity training for security of life, property and investment; globalization and information technology adaptation to real estate practice have necessitated the need for the expansion of these stress areas. This is due to the inadequacy of these stress areas in training real estate professionals to face these emerging challenges. No meaningful investment can be made without security of life and property. Security of property involves management of the risks associated with real property. These risks could be avoided (risk avoidance), retained (risk retention), controlled (risk control) or transferred (risk transfer). In

performing these tasks, the real estate professional must have adequate knowledge of property insurance (Scarett, 1983). Property insurance is still a marginal concern within the curriculum of Estate Management programme in universities and polytechnics in Nigeria and is not listed among the stress areas.

### Estate Management Education and the Challenge of Human Training for Security of Life, Property and Investment

Education is the total process of human learning by which knowledge is imparted, faculties trained and skills developed (Farrant, 1980). As a subset of vocational education, estate management education involves the training of persons to develop some fundamental skills necessary for them to function as estate surveyors and valuers. Estate Management education in Nigeria began in 1957 at the Enugu branch of the then Nigerian College of Arts, Science and Technology, now University of Nigeria, Enugu Campus (Ifediora, 1993). Based on the data collected from the Joint Admissions and Matriculation Board (JAMB, 2010a, 2010b), the number of universities and polytechnics offering courses in Estate Management in Nigeria as at 2010/2011 academic session are presented in Table 1 as follows:-

Table 1: Undergraduate programmes in estate management in tertiary institutions in Nigeria as at 2010/2011 academic session

Type of Institution	No. of Institutions and Programmes Offered				
	OND	HND	B.Sc	B.Tech	% of Total
Conventional Universities	-	-	9	-	19.6
Universities of Technology	-	-	-	5	10.9
Polytechnics	25	17	-	-	54.3
Colleges of Technology	2	2	-	-	4.3
Private Polytechnics	1	-	-	-	2.2
Private Universities	-	-	4	-	8.7
Total	28	19	13	5	100

Source: *Joint Admissions and Matriculation Board (2010a, 2010b).*

In Nigeria, the education and training of estate surveyors have remained unchanged even after the advent of information technology and other emerging challenges. Areas of knowledge required by real estate professionals to enable them play their roles effectively in the security of life, property and investment are still marginal concerns within the present-day curriculum of Estate Management programme in universities and polytechnics in Nigeria. These areas of knowledge include:-

- (a) Property Insurance
- (b) Facilities Management
- (c) Property Investment Appraisal

#### Property Insurance

Property insurance entails the management of risks associated with real property (Scarett, 1983). If not avoided, controlled, retained or transferred, these risks could result in serious losses, including loss of life. As property professionals, estate managers require sound knowledge of property insurance to be able to handle risks affecting real properties under their management.

#### Facilities Management

Facilities management is the total management of all services that support the core business of an organization (Northumbria University, n.d). It focuses on the interaction between the core business, the support functions and the facilities throughout all sectors of industry, commerce and services. Facilities management course is very relevant if real estate professionals must play effective role in security of life, property and investment. It should form a core area of their training. What is offered presently in the curriculum is workspace and property management. In order to meet the challenges posed by security of property and investment, much emphasis should be placed on strategic facilities management and computer-aided facilities management.

#### Property Investment Appraisal

According to Baum and Crosby (1988), property investments cannot be appraised in isolation. It must at some stage be appraised in comparison with alternative investment vehicles. Estate Management curriculum in universities and polytechnics in Nigeria appraises

property investments in isolation from alternative investments in the investment market. These alternative investments as mentioned earlier include bank deposits, fixed interest securities, index-linked gilts and equities or ordinary shares. This scenario does not enhance the development of skills in comparative investment appraisal and as such hinders the training of estate surveyors as investment specialists. However, current global trend is that property investment is treated as part of the wider investment community, not in isolation (Baum and Crosby, 1988; Udo, 1993; Gane, 1995; Ajayi, 1998, Wyatt, 2007; Ogunba and Ojo, 2007 and Udoekanem, 2009). Knowledge of comparative investment appraisal would enable an estate surveyor to advise a property investor on portfolio diversification, where a property investment within a portfolio is relatively insecure.

For the purpose of this study, the marginal nature of these areas of knowledge was explored by comparative analysis of the course requirements of undergraduate Estate Management programmes in two universities in Nigeria. These universities are the University of Nigeria, Nsukka (UNN) and the Federal University of Technology, Minna (FUTM). This analysis is limited to these institutions due to the paucity of information on the course requirements of other tertiary institutions offering Estate Management Programmes in Nigeria. The course requirements of Estate Management undergraduate programmes in the selected institutions are as follows:-

Table 2: Course requirements of estate management undergraduate programmes in selected universities in Nigeria as at 2008/2009 session

Nature of Course	Institutions and No. of Courses Offered	
	UNN	FUTM
Major courses	29 (36.25%)	
Required courses	35 (43.75%)	Core Courses 88(88%)
Elective courses	16 (20%)	12(12%)
Total	80 (100%)	100 (100%)

Source: Students Information Handbooks of the Departments of Estate

Management, UNN (n.d) and FUTM (2009)

However, the contents of these courses were examined to identify courses capable of developing skills in property insurance, facilities management and property investment appraisal. This is presented in Table 3 as follows:-

Table 3: Distribution of courses capable of developing skills in property insurance, facilities management and property investment appraisal in the institutions under study

Institution	UNN	FUTM
Total No. of courses offered for the undergraduate Estate Management programme.	80	100
No. of courses capable of developing property insurance skills.	3	2
No. of courses capable of developing facilities management skills.	1	1
No. of courses capable of developing property investment appraisal skills.	6	1

Source: Students Information Handbooks of the Departments of Estate Management, UNN (n.d) and FUTM (2009)

The proportion of courses capable of developing requisite skills in property insurance, facilities management and property investment appraisal as compared to the total courses offered for the programmes are summarised in Table 4 as follows:-

Table 4: Courses capable of developing skills in property insurance, facilities management and property investment appraisal as percentage of total courses offered

Skills Required	UNN		FUTM	
	No. of Courses	% of total courses offered	No. of courses	% of total courses offered
Property Insurance	3	3.75%	2	2.00%
Facilities Management	1	1.25%	1	1.00%
Property Investment Appraisal	6	7.5%	1	1.00%
Total	10	12.5%	4	4.00%

Source: Computed from Data in Table 3.

Of these three areas of knowledge, facilities management appears to be the most marginal in courses offered for Degree programmes in Estate Management in the two



institutions under study as it constitutes less than 2% of the total courses offered for the programmes (Table 4). This is due to its complexity and high level of technical competence required for its impartation. Because these areas of knowledge are real estate-based, Estate Management programme can enhance the development of skills in these areas if its curriculum is reviewed and more courses relevant to these areas introduced to replace irrelevant elective courses currently being offered.

### Conclusion

Estate management education in Nigeria is encumbered by some challenges. One of such challenges is human capacity training for security of life, property and investment. In order to overcome this challenge, the stress areas within the Estate Management curriculum in universities and polytechnics in the country should be expanded to include relevant areas of knowledge that would make Estate management graduates more responsive to security issues concerning life, property and investment. These areas of knowledge are property insurance, computer-aided facilities management and property investment appraisal. Increased emphasis on these areas by estate management educators would enhance the development of skills required by real estate professionals to play effective role in the security of life, property and investment.

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