

**OLAWANDE ONI**

Ph.D., ANIVS, RSV, ARVA.

**REAL ESTATE  
MARKETING &  
CODE OF CONDUCT  
IN NIGERIA**



*Foreword by*  
**PROF. C. A. AJAYI**

**OLAWANDE ONI**

Ph.D., ANIVS, RSV, ARVA.

**REAL ESTATE**  
**MARKETING &**  
**CODE OF CONDUCT**  
**IN NIGERIA**



*Foreword by*  
**PROF. C. A. AJAYI**

## **Real Estate Marketing and Code of Conduct in Nigeria**

Copyright © November, 2009 by  
**Olawande Oni**

ISBN: 978-978-903-904-3

*All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, photocopying, recording or otherwise without the written permission of the copyright holder.*

Published in Nigeria by



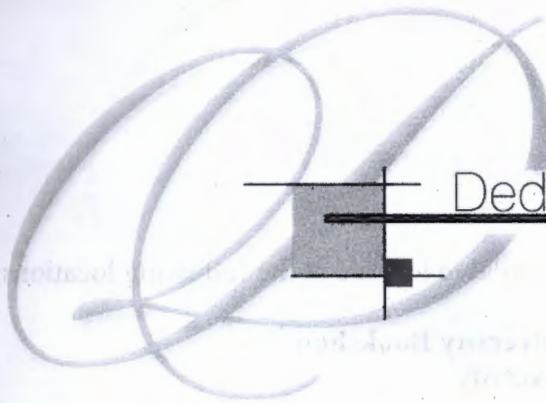
**Rehoboth Consulting**  
+234 805 939 4971, +234 803 331 9370

40, Association Avenue  
Ahmadiya Ijaye Lagos  
email- rehobothconsulting@gmail.com

Printed in the Federal Republic of Nigeria

**Design + Print**  
**asbotgraphics**

22, Adifashe Street, Opp. MTN Mast, Ladi-lark, Bariga, Lagos.  
asbotgraphics@yahoo.com 01 8157715, 8222050, 08033671112



Dedication



*To My late father*

**GABRIEL OLADAPO ONI**

*who slept in the Lord on 16<sup>th</sup> September 2009  
shortly before the completion of this book.*



This book is available for sale at the following locations:

**Covenant University Bookshop**

Covenant University  
Ota.

**Miss Kike Akinfolayan**

Ground Floor, Left Wing, Obafemi Awolowo House  
29/31, Obafemi Awolowo Way  
Ikeja, Lagos.  
0808 278 3328, 0806 604 2558

or

Direct request by e-mail: [tunney@consultant.com](mailto:tunney@consultant.com)





# Contents

<i>Dedication</i>	<i>iii</i>
<i>Foreword</i>	<i>xi</i>
<i>Preface</i>	<i>xiii</i>
<i>Acknowledgements</i>	<i>xvii</i>

## **Chapter 1**

<b>1.0 Concepts and General Characteristics of Property</b>	<b>1</b>
1.1 Concept of Property	1
1.2 Types of Property	3
1.3 General Characteristics of Real Estate	5
1.4 Real Estate as a Marketable Product	9
1.4.1 Physical Characteristics	10
1.4.1.1 Heterogeneity	10
1.4.1.2 Durability	10
1.4.1.3 Capital Intensiveness	11
1.4.1.4 Proof of Ownership	11
1.4.1.5 Source of Income	12
1.4.1.6 Fixed Total Supply	12

1.4.1.7 Series of Small and Local Markets	12
1.4.1.8 Immobility	13
1.4.1.9 High Transaction Costs	13
1.4.2 Use Characteristics	13
1.4.2.1 Investment Motive	13
1.4.2.2 Precautionary Motive	14
1.4.2.3 Speculative Motive	14
1.4.2.4 Personal Ego	15
1.4.3 Production Characteristics	15
1.4.3.1 Construction Period	16
1.4.3.2 Mode of Production	16
1.4.3.3 Materials for Construction	17

## Chapter 2

2.0 Concept of Real Estate Marketing	19
2.1 The Real Estate Market	19
2.2 The Concept of Marketing	21
2.3 The Nature of Real Estate Marketing	25

## Chapter 3

3.0 The Real Estate Products, Buying Decisions, and Consumers' Influences	31
3.1 What is Real Estate Product?	31
3.2 Specific Characteristics of Real Estate Service Products	34
3.3 Real Estate Consumers and their Influences	36
3.4 The Buying Decision and Stages	39
3.5 Stages in Sale and Letting Transactions	43
3.5.1 Listing	44
3.5.1.1 Exclusive Agency Listing	46
3.5.1.2 Exclusive Right to Sell/Let Listing	47
3.5.1.3 Net Listing	47
3.5.1.4 Open Listing	48
3.5.1.5 Multiple Service Listing	48
3.5.2 Prospecting	50

3.5.3 Negotiating	51
3.5.4 Closing of Deal	53

## Chapter 4

<b>4.0 Real Estate Marketing Activity-sets, Advertising and Communication</b>	<b>55</b>
4.1 The Activity-sets in Real Estate Marketing	55
4.2 The Estate Surveyors in Real Estate Marketing	61
4.3 Real Estate Advertising: What is Real Estate Advertising?	64
4.4 Types of Real Estate Advertising	65
4.4.1 General Advertising	65
4.4.1.1 Business Card Advertising	65
4.4.1.2 Adding Value to a Business Card	67
4.4.2 Institutional Advertising	69
4.4.3 Specific Advertising	69
4.5 Promoting the Real Estate Firms through Advertising	69
4.6 Media of Advertising	71
4.6.1 Display Type of Advertisement	71
4.6.2 Classified Type of Advertisement	71
4.6.3 Reading Notice Type of Advertisement	72
4.6.3.1 Newspaper	72
4.6.3.2 Magazine	72
4.6.3.3 Billboard	73
4.6.3.4 Bulletin and Brochure	73
4.7 Communication in Real Estate Marketing	73

## Chapter 5

<b>5.0 Real Estate Marketing Strategies and Management</b>	<b>80</b>
5.1 Strategies in Real Estate Marketing	80
5.2 Marketing Strategies: Key Part of General Corporate Strategies	83
5.3 Warfare-Based Strategies in Real Estate Marketing	87
5.3.1 Frontal Attack	88
5.3.2 Flank Attack	88
5.3.3 Encirclement	89



5.3.4 Bypass	89
5.3.5 Guerilla Warfare	90
5.3.6 Fortifications	91
5.3.7 Flank Defence	92
5.3.8 Pre-emptive Defence	93
5.3.9 Contraction	93
5.4 General Marketing Management	95
5.5 Formulating Marketing Plan and Strategies	104
5.6 Market Segment and Segmentation	108

## Chapter 6

<b>6.0 Steps to Success in Real Estate Marketing</b>	<b>113</b>
6.1 Setting up Estate Surveying and Valuation Practice in Nigeria	113
6.2 Securing Opportunities for Real Estate Jobs	116
6.3 Writing Quality Proposals	119
6.3.1 Solicited Proposals	120
6.3.2 Informally Solicited Proposals	122
6.3.3 Unsolicited Proposals	122
6.3.4 Qualities of a Good Proposal	123
6.4 Creating Ways to Increase Clientele and Succeed in Practice	126
6.4.1 Sell Yourself	126
6.4.2 Know When to Jump into a Listing	127
6.4.3 Possess Well-developed Listening Skills	128
6.4.4 Help the Prospects Get What they Want	128
6.4.5 Collaborating with Professional Colleagues	129
6.4.6 Adopt Never-say-die Attitude	130
6.4.7 Use Honest Marketing Concepts and Avoid Misrepresentation	130
6.4.8 Dress Professionally and Corporately	131

## Chapter 7

<b>7.0 Sales by Auction</b>	<b>133</b>
7.1 Definition of Auction	133
7.2 Types of Auction	134
7.2.1 Primary Types of Auction	135
7.2.2 Secondary Types of Auction	138
7.3 Bidding Strategies and Terminologies	142
7.3.1 Chandelier Bidding	142
7.3.2 Collusion or "Knock-out"	142
7.3.3 Suggested Opening Bid (SOB)	143
7.3.4 Auction Snipping	144
7.3.5 Proxy Bidding	146
7.3.6 Bid Shading, Bidding and Bidding Up	147
7.3.7 Common Value Auction	148
7.3.8 Dutch Auction	149
7.3.9 Dutch Auction Share Repurchases	150
7.3.10 "Open Outcry" English Auction	150
7.3.11 Candle Auction	152
7.3.12 Reservation Price	152
7.3.13 Winner's Curse	153
7.4 Principles of Auctioneering	155

## Chapter 8

<b>8.0 Estate Agency Practice</b>	<b>157</b>
8.1 General Nature and Types of Agency	157
8.2 Salespersons and Brokers in the US	161
8.3 Estate Agency in Nigeria	163
8.4 Creation of Agency	164
8.5 Mutual Duties of Estate Agent and Principal	166
8.5.1 Estate Agent to Principal	166
8.5.2 Principal to Estate Agent	167
8.6 Termination of Agency	168

## Chapter 9

<b>9.0 The Regulatory Bodies of Estate Surveying and Valuation Practice in Nigeria</b>	<b>171</b>
9.1 The Nigerian Institution of Estate Surveyors and Valuers: Historical Perspective	171
9.2 The Objects and Membership of the NIESV	174
9.3 The ESVARBON and Professional Code of Conduct	177
9.3.1 What is a Code of Conduct?	177
9.3.2 The Professional Code of Conduct	179
9.3.3 Unethical Issues and Misconducts in Real Estate Marketing in Nigeria	187
9.3.3.1 Topping-up	191
9.3.3.2 "Borrowing" or "Investing" Clients' Money	193
9.3.3.3 "Undercutting" or "Overthrowing" of Colleagues	193
9.3.3.4 Gazumping and Gazundering	194
9.3.3.5 Collection of Double Fees	195
9.3.3.6 Mounting of Multiple Signboards	196
9.3.3.7 Soliciting for Jobs with Financial Inducement	196
9.3.3.8 Gorilla Approach to Marketing	197
9.3.3.9 Inflation of Bills, Repair or Maintenance Expenses	198
9.3.3.10 Misrepresentation	198
9.3.4 Penalties for Professional Misconduct and Unethical Behaviours	204

## Chapter 10

<b>10.0 Financial Crimes in Real Estate Marketing</b>	<b>208</b>
10.1 Money Laundering	208
10.2 Advance-Fee Fraud	209
10.3 The Economic and Financial Crimes Commission (Establishment) Act 2004; and Money Laundering Act (Prohibition) 2004	222

<b>Bibliography</b>	<b>233</b>
---------------------	------------

<b>Index</b>	<b>245</b>
--------------	------------



## Foreword

I am delighted to write a foreword to this book titled *REAL ESTATE MARKETING & CODE OF CONDUCT IN NIGERIA* written by someone who has acquired experience in academic and professional practice spanning twenty-four years. My delight stems from the fact that there is paucity of literature on Real Estate Marketing and how practitioners should conduct themselves in transactions involving exchange of rights and interests in land and buildings. I am also delighted because the book is a pioneering effort in Nigeria at making available literature on the subject-matter.

I had the opportunity of going through the manuscript and found that the author has dealt extensively on topical issues that professionals and students of Estate Management will find useful to succeed in their chosen career of Estate Surveying and Valuation in Nigeria. The book contains chapters on Concepts of Property and Property Marketing. Of particular importance are



discussions on Factors that Influence Real Estate Consumers, Steps to Success in Real Estate Marketing, and Sale by Auction.

The book also espouses topical issues on the Nigerian Institution of Estate Surveyors and Valuers (NIESV) and the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON), the regulatory bodies of the estate surveying and valuation profession in Nigeria. These are in addition to discussions on Unethical Issues in Real Estate Marketing, and effects of the Economic and Financial Crime Commission (EFCC) and Money Laundering Acts on real estate marketing.

I, therefore, recommend this book to practicing Estate Surveyors and Valuers, students of Estate Management in tertiary institutions, and people aspiring to take real estate marketing as a profession.

Prof. C. A. Ajayi  
*Department of Estate Management,  
Obafemi Awolowo University, Ile-Ife, Nigeria.  
August, 2009.*





## Preface

**T**he means by which performance of practicing Estate Surveyors and Valuers can be measured is in the number of prospects secured and how they are able to keep and increase the number of clients. Real Estate Marketing, as a course of study, has been ignored by practitioners, professional examination bodies, the Nigerian Institution of Estate Surveyors and Valuers (NIESV), and Universities offering Estate Management programme. Only a few universities in Nigeria offer Property Marketing as part of curriculum for the award of B.Sc. degree in Estate Management. Even the professional examination for election to membership of the NIESV has no provision for the course, whereas modern trend in real estate surveying and valuation demands clear understanding and practice of real estate marketing.

No books have been devoted completely to property marketing in Nigeria. This book, therefore, becomes essential in laying foundation for the practice of real estate

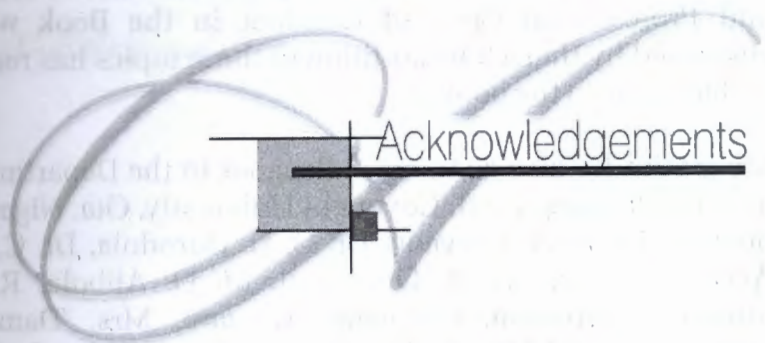
marketing in the country. It will definitely serve as a useful tool in the hands of students of Estate Management in higher institutions, including those seeking qualifications in professional practice, and practicing Estate Surveyors and Valuers. It is envisaged that there will be real awakening of professionals and higher institutions in Nigeria towards the subject matter of the book.

The author is well aware, through his wealth of experience as a professional and University teacher, that Property Marketing will, in the nearest future, become a field of specialization. There will be increased number of courses and expansion of real estate professional frontier that will demand greater understanding of the techniques and teaching of marketing from present and future practitioners in real estate industry.

I have constantly kept in mind the benefits of the book to practising and non-practising Estate Surveyors and Valuers, students of Estate Management in Polytechnics and Universities, and graduates who are preparing for election into professional cadres of the NIESV. In this regard, two main objectives guided the topics covered in the book. The first is to lay foundation for further studies and literature in the field of Estate Management and so contribute positively to the development of real estate practice and education in the country. The second objective is to provide substantial basis for factual practical knowledge upon which students of Estate Management may subsequently build sound appreciation of the subject matter before they graduate into professional practice.

This book is a pioneering effort based on foresight and my teaching of Property Marketing at Covenant University, Ota, Nigeria. I eagerly look forward to receiving feedback from readers for its improvement.

Olawande Oni, Ph.D., ANIVS, RSV, ARVA.  
 Department of Estate Management,  
 Covenant University, Ota, Nigeria.  
 wandeoni@yahoo.com  
 November, 2009.



## Acknowledgements

**F**irst of all, I thank the almighty God for giving me the grace to put down the thoughts in this book. Before I joined the services of Covenant University, Ota, Nigeria, I had started gathering some materials on marketing as related to property. The opportunity to take the course on Property Marketing at Covenant University was given me by Prof. Cyril Ayodele Ajayi, who was then the Head of Department of Estate Management and was on sabbatical from Obafemi Awolowo University, Ile-Ife, Nigeria. Regardless of dearth of literature on Property Marketing in Nigeria, I took it as a challenge that was surmountable. My research of literature on general marketing, in addition to challenging professional practice experience since 1985, helped in overcoming the challenge. This is why I give all glory to God and express my appreciation to Prof. C. A. Ajayi for believing that I could handle the course.



I extend gratitudes to my senior professional colleagues who reviewed and suggested additions to the first manuscript. I specially thank Mr. Akin Olawore, FNIVS, RSV; Mrs. 'Segun Adegbeye, FNIVS, RSV; and Dr. Ajayi-Patunola, FNIVS, RSV. The Chapters on Auctioneering and Professional Code of Conduct in the Book were suggested by them. The addition of these topics has really added value to the book.

My gratitudes also go to my colleagues in the Department of Estate Management, Covenant University, Ota, Nigeria, notably, Dr. S. A. Oloyede, Dr. O. D. Durodola, Dr. C. A. Ayedun, Messrs C. B. Omoogun, M. O. Ajibola, R. F. Simon, C. Iroham, Omolade Akinjare, Mrs. 'Damola Oluwunmi, and Miss Sade Oguntubo for their invaluable words of encouragement and prayers.

I appreciate the contribution of Wikimedia Foundation Information Team to the success of this book. The organisation gave me unrestricted use of materials in Wikipedia free encyclopedia "free of charge for any purpose" as conveyed in the e-mail sent to me by Keegan Peterzell Vide Ticket #2009110510059196 - Permission to copy from Wikipedia, free encyclopedia.

My appreciation will be incomplete if I fail to acknowledge Dr. David Oyedepo and Prof. Aize Obayan, the Chancellor and the Vice Chancellor of Covenant University respectively. Dr. David Oyedepo's impacting teachings at the regular Friday Faculty Fellowship, in particular, awakened my latent writing skill and flared up the courage to publish this book. God also used him to provide the platform by which my efforts have come to be



fruitful and my dream realised. Prof. Aize Obayan has, over the years, assisted in sharpening my skill through various local and international conferences I have attended by the virtue of her approval.

May God bless you all. Amen.

# INDEX

3P. in real estate marketing mix 56-60

Acquisition and Base  
management 56

Activity sets 56

Advance-fee fraud 209-221

Advertisement 69-73

Advertising 27, 64-66, 71, 189

"Agency by estoppel" 165

Agency relationships 164-168

Annual rent 2

Associate member 175, 176

Attorney-in-fact 164, 165

Auction sniping 144

Auctioneering 155

Auctions, types 133-153

Bid shading 147

Bidding strategies 142

Bill board 73

Brokers 158, 159

Bulletin and brochure 73

Bundle of rights 1, 5, 6

Business card advertising 65

Buying decision and stages 39  
Bypass 89

Candle auction 152

Canvassing 44

Capital gains 14, 15

Capital intensive 11

Cashing up 209

"Catcher" 212

Chandelier bidding 142

Characteristics of its use 9

Characteristics production 9

Clients' money 193

Closing of deal 53, 129

Code of conduct 177

Collusion or "knock-out" 142

Common value auction 148

Communication 73-77

Concept of property or  
ownership 1

Concept of rights 20

Consumer 36, 38, 39, 41

Consumption decision 39

Contraction 93

- Development process 16
- Double fees 196
- Durability 10
- Dutch auction 149-150
- EFCC 222
- Encirclement 89
- Endogenous factors 20
- English auction 141
- "Equal dignity rule" 165
- Estate agency 157, 163
- Estate agency nature 157-169
- Estate agent 158, 166, 167
- Estate Surveying and Valuation practice 113
- Ethics 188
- Ethical codes 178
- ESVARBON 177, 179, 189
- Evaluation of alternatives 39
- Exclusive rights 5, 47
- Exogenous factor 20
- Falsity 202
- Fellow 175
- Financial inducement 197
- Flank attack 88
- Flank defence 92
- Fortification 91
- Fraudulent misrepresentation 203
- Freehold property 2
- Frontal attack 88
- Functional characteristics 4
- Gazumping 195-196
- Gazundering 195-196
- General advertising 65
- General marketing management 79-80, 95
- Gorilla approach 198
- Graduate member 176
- Ground lease 8
- Guerilla warfare 90
- Headlease 6
- Hedge against inflation 10
- Heterogeneity 9, 10, 35
- Hidden or proxy bid 146
- Highest bid 135, 136
- Honour code 177
- Immobility 9, 13
- Immovable property 3
- Inflation of bills 199
- Influences 36
- Information search 39
- Inseparability 35
- Institutional advertising 69
- Intangibility 32, 35
- Interests 2, 9
- Internal repairing and insuring lease 6
- Investment 10, 32, 35
- Irregular funding 209
- Land Use Act of 1978 7
- Landlord/Lanlady 2
- Lease 6, 8, 20
- Leasehold interest 2, 6
- Lessee 2
- Lessor 2
- Listing: 44-49, 127
  - exclusive agency 46
  - exclusive right to sell/let 47
  - net listing 47
  - open Listing 48
  - multiple service listing 48
- Market 19, 27
- Market conditions 12
- Marketing concept 21, 27
- Marketing research 26
- Marketing strategies 79-80, 83-87
- Misconduct 188
- Misrepresentation 130, 199
- Money laundering 207-209
- Money Laundering Act (prohibition) 2004 227-232
- Multiple signboards 196

"Mungu" 212

Negligent misrepresentation 208

Negotiating 51

Non-sniping bidders 145

Online auction 145

"Open outcry" auction 150

Ownership 2, 6, 7, 11, 35

Ownership characteristics 2, 35

People 58

Perishability 35

Perpetuity 2

Personal property 3

Physical and service

*Products* 32, 34

Physical characteristic 9-17

Physical evidence 59

Physical possession 2

Placement 58

Post-agreement drop-out 42

Post-consumption 39, 42

Power of attorney 167

Precautionary motive 14, 32

Pricing 57

Pricing element 57

Private property 2

Problem recognition 39

Process 59

Product 31

Product management 57

Professional member 175-176

Professional misconduct 188-206

Promotion 58

Proposals 119-125

Prospecting 50

Proxy bidding 146

Psychological influence 36, 37

Public property 2

Real estate 3, 12

Real estate: *products* 31

*as a factor of production* 9

*marketer* 40, 41, 61, 64, 80, 85

*marketing* 21, 27

Real property 3

Rescission 204

Reservation demand 152

Reservation price 152

RICS 172-173

Rights 2, 9

Salespersons 161

Scouting 44

Service product 34-36

Segmentation 81, 108-112

Share repurchase 150

Signboard 196

Situational influences 36, 38

Smallest billboard ad 65

Smurfing 208

Socio-cultural influences 36, 37

Specific advertising 69

Speculative motive 32

Stages in sale or letting 39-54

Sub-lessee 8

Sub-lessor 8

Suggested opening bid 143-144

Swot Analysis 93, 97, 104-107

Tenancy 7

Tenancy agreement 8

Termination of agency 168

Theories of property 2

"Topping up" 192

Trade cards 66

"Undercutting" 194

Unethical behaviours 192-205

Unethical issues 188

Universal agent 158

Vickrey auction 136-138

Vickrey-Clarke-Groves (VCG)  
mechanism 137

War-based strategies 87-94

Winner's curse 153-155