



An Examination of Stakeholder's Perception of Property Management Practice In Osogbo, Nigeria.

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Abstract: The paper examines stakeholder's perception of property management practice within Osogbo, Osun State. Primary data were sourced from Estate Surveying and Valuation firms, tenants and landlords sampled for the study through structured questionnaires. The total numbers of questionnaires administered to all the respondents were seventy five (75) while total numbers of completed questionnaires retrieved were sixty five (65) representing 86.7% response rate. The data were analyzed with descriptive statistics. The study revealed that tenants are not satisfied with the apportionment of repair liability and non prompt response to tenant complaint while landlords are not satisfied in term of non preparation of schedule of repairs and non response to tenants complaints. The study further established that Estate Surveyors and Valuers do not update their knowledge in property management regularly. The study recommended that Estate Surveyors and Valuers should regularly improve their knowledge in property management through relevant seminars and workshops and set up machinery to always address tenants and landlords complaints

Key words: Property Management, Landlords, Tenants, Repairs

1.0 INTRODUCTION

Occupation of property asset such as land and building either rented, leased or owner occupied is fundamental to the existence of life. Therefore, ownership of landed property is a great success and achievement, and this mentality has great influence on landed property itself. After the construction of buildings, most property owners tend not to care for it again as all that matters to them is that they have a property which they call their own. This is because most Nigerians lacked maintenance culture. However, Kuye (2008) was of the view that the effective management of properties is very important due to its nature and the capital involved in its construction. Properly managed properties will not only maximized the income realizable from the property where the property is built for investment purpose, but will also ensure that the property is in a good physical and structural state for it to continue to perform the purpose for which it was built. Gbadegesin and Ojo (2011), asserted that the need for efficient and ethical property management is imperative. They opined that the sustainability of property assets as a source of wealth creation requires effective and creative, information and social management. Property Management according to Thorncroft (1976) is the

direction supervision and controlling of an interest or interests in landed properties with the aim of obtaining optimum returns, these returns need not only be financial but includes prestige, political power and for social reason.

Over the years, property management has taken a new dimension which calls for professional care and decisions. Therefore it requires professionalism, competency and high degree of meticulousness. This is because the expertise and competency are most times challenged and also because of its huge capital involved in its development. Therefore, a property manager really has to prove his competence and worth so as to justify the confidence his principal has in him.

Premise on the above, the paper aim at examining stakeholder's perception of property management practice within Osogbo metropolis of Osun State. In realizing this aim, the study empirically examined the level of satisfaction derived by the property owners from the performance of Estate Surveyor and Valuers engaged in the management of their properties. The paper further analyses the level of satisfaction derived by various tenants and lessees who have in one way or the other engaged the services of an Estate Surveyor and Valuers

either as a prospective tenant or as a resident in the property being managed.

1.2 LITERATURE REVIEW

Management Concept in Relation to Property Management

Diverse definitions have been given to management by different theorists. They see management from different point of views depending on the school of thought. The definitions range from general to complex, to simplistic, to classical, to psychological, and to modern school of thought. Some theorist reasoned that management is an art while some said it a science. According to Lawal (1997) cited in Kuye (2008), management is responsible for attaining an objective that is for providing a policy for decision or economic direction, establishing an organization either simple or complex with plan and programmes for production and distribution .

Management is a decision making process. It entails selection of goals and the planning, procurement, organization and control of the necessary resources for their achievement. Nwachukwu (2007) simply defined management as the science of organization and operation; or at a practical level, the act of getting things done in an efficient manner. Management is the coordinating process, which involves planning, coordinating, directing, motivating and controlling; simply put, management involves converting policy into action.

The concept of management concerns itself with the optimal utilization of available resources and time to achieve the desired result. Therefore a property manager has a challenging task to perform in managing human, time and financial resources. Gbadegesin and Ojo (2011) defined management as the coordination of all resources of an organization through the process of planning, organizing, directing and controlling in order to attain organization objectives. Nwachuwu (2007), cited by Gbadegesin and Ojo (2011) sees management as the act of getting things done through and with others. He asserted further that management is a process demanding the performance of a specific function.

Thoncroft (1976) defined management as “The science of organization and operation or at the practical level the act of directing and conducting affairs”. Management may therefore operate directly by the application of effort to secure the desired result or indirectly by creating those conditions conducive to producing the required end. Okunola, Alabi, Dabara, and Odewande (2012) observed that management involves the selection of goals and the planning procurement, organization, cooperation and control of necessary resources for their achievement. In commerce, management is concerned with the efficiency in the conversion of opportunities and resources into wealth. It is however clear from the discussion above and the researcher’s opinion that management is of both art and science at ensuring that certain goals and objectives are achieved through direction, supervision and coordination.

Property Management on the other hand is the direction and sometimes the overall control of policy of an interest in landed property with a view to obtaining maximum return which may be financial, social, prestige, power or some other goals or group of goals. This emphasizes the need to economize the use of resources and time so that the predetermined objectives are achieved. Zailan (2000), opined that managing property involves establishing goals, objectives and policies and implementation of strategies to achieve those goals and objectives. According to Singh (1994), property management is an activity that seeks to control interest in property taking into consideration the short and long term objectives of the property owner and particular purpose for which the property is held.

Wong (1999), considers property management from practical perspective as the work carried out to manage and maintain the development including its facilities at all levels that will retain or enhance the value of the development, create a safe, functional and conducive living environment for occupants, keep or restore every facility in efficient working order and in good state of repair, and project a good appearance or image for the development. Ismail (1996) cited in Gbadegesin and Ojo (2011) posited that property management responsibility includes all the necessary reporting accounting, maintenance and decision making to ensure the economic physical vitality of property asset. Similarly, Macey and Baker (1965) were of the opinion that property management is the application of skill in the caring for a property, its surroundings and amenities, in developing a sound relationship between a landlord and a tenant, and between tenants so that the property may give its fullest value to both the tenant and the property owner.

In line with the position of Singh (1994) the purpose for which the interest is held may perhaps be for negotiation of rent review and lease renewals, to oversee physical maintenance and enforcement of lease covenants, to be mindful of the necessity of upgrading and merging interest where possible, to recognize opportunities for the development of potential and to fulfill the owner’s legal and social duties to the community. Gbadegesin and Ojo (2011) however considered property management as an exercise within the realm of ethics. This implies that management of property of any kind should not be done outside the rules and regulations of the ethics of the profession concern. Zailan (2000), looked at the three aspects that are the management of the non – physical aspects of buildings such as building maintenance and the economic management of the property assets.

Joroff, (1992), was of the opinion that there is no single best model that could suggest the type of property management. Activities can be organized and related to other management functions within large organization particularly in public sector. The implication is that the choice of what activities constitute property management will depend mainly on the objectives of property management itself, the choice of tenure and the mandate of property function as well as other external factors

Property management is the operation of commercial and/or residential real estate and that its functions are ‘akin to the role of management in any business. (Wikipedia, 2000). Sangosanya (1986) opined that property management is both “professional and business”

merged together; because it involves the acquisition of knowledge and special skills in a particular field of endeavor. In this case property management is business because it is about the management of resources for the achievement of a set goal and objectives while Tomori (1997), viewed property management as another business enterprise that is mainly concerned with correct motivation of staff and fairness to tenants by consulting, informing and encouraging them so that a sense of partnership and joint venture is established.

The success of estate management is not only to the extent to which its objectives are achieved but also by the economic aspect of such achievement. Property management is an economic process. Estates which are not for profit making such as those owned by public authorities' must be managed in the best economic method. The performance of an estate may be measured against its effects on the neighbors. For instance, a landlord may consider his property well managed but tenants' neighbors, or any other observer may see it differently.

The management of any building commences before the physical structure is completed and occupied. It usually begins long before construction activities start. At this stage the type of materials to be used in construction which will not cause much maintenance problem in future are considered. In practice it is not just enough to develop a building but to ensure that it is properly maintained otherwise a lot of management problems will arise. Most of the management problems encountered by management surveyors in practice are mainly on the issue of lack of maintenance or problems caused by the inferior materials during construction. Oftentimes, the management and maintenance approach of any building depend on a number of factors ranging from design, type of materials used in the construction, standard of finishes/method of construction, environmental conditions to type of tenant in occupation.

1.3 Property Management Practice

Property management practice relates to the way and manner in which property management functions are being carried out by property manager in the study area. Carrying out of such duties may be considered in relation to efficiency, honesty, profitability, ethics, integrity, ability to responds to tenant complaints, promptness in rent remittance and repair and maintenance culture of the property manager's concern.

Brief description of some of these functions as identified by Kuye (2008) and Okunola et al (2012) are ; rent review: In the tenancy agreement prepared and signed by both parties (landlord and tenant) at the inception of the tenancy term, there is a rent review clause. Rent review can be reviewed only if a rent review clause is included in the tenancy agreement. However, rent cannot be reviewed if the agreement is for a fixed term until the tenancy term expires, excepts if there is an agreement between the tenant and the property owner to review the rent at regular intervals. Rent collection: The property manager is responsible for collection of rent from tenants that may be

occupying the property under its management on behalf of his client(s).

Tenant selection: This involves selecting suitable tenant(s) to occupy the subject property. This selection is based on some terms and condition which if a prospective tenant meets up with, the property will be let to him. Property maintenance: This includes maintaining and keeping the property in an appropriate and acceptable standard so as to continue serving the purpose for which it was built. Arbitrator: The property manager carries out arbitration functions where there is dispute between tenants or where tenants complain about each other. Also in cases where tenants complain about the property owner, the department seeks to settle the problems without getting involved.

Matters requiring consent of the property owner: Tenants may wish to take actions or steps which require the property owner's consent before such is carried out. These steps may include improvement, alterations, transfer of tenancy e.t.c.. Keeping and rendering of proper account: An up to date and proper account in respect of a property should be kept by the department. The inflow of cash and out flow should be adequately documented. Also, the statement of account on the property which may be prepared bi-annually should be sent to the landlord on regular basis. Routine management: This involves activities which are to be carried out from time to time which includes collection of rents, keeping of records and remittance of proceed from properties to client(s), preparing service charge account, periodic inspection of the property to ascertain if there has been a breach of covenant by the tenant or not.

1.4 Research Methodology

The study was conducted in Osogbo and the focus groups of this research work were mainly the firms of Estate surveying and valuation, landlord/investors and tenants/lessees because they constitute the major stakeholders in property management practice. The total number of registered practicing firms of Estate Surveying and Valuation in Osogbo are fifteen (15) as obtained from Osun State branch of the Nigerian Institution of Estate Surveyors and Valuers register. From each estate firm, two (2) tenants and two (2) landlords regarded as service clients were purposefully selected base on the frequency at which they have been employing the services of Estate Surveyor and Valuers. The study adopted self – administered questionnaires for three categories of the respondents because greater percentage of the questions can be attended to through this method because most respondents were not always on seat to be interviewed and so the use of questionnaires is preferred. The total numbers of questionnaires administered to all the respondents were seventy five (75), fifteen (15) for Estate Surveying and Valuation firms, thirty (30), for landlords and thirty (30) for tenants. The total number of completed questionnaire retrieved were sixty five (65) which represent 86.7% response rate of the total questionnaire administered. The returned questionnaire for Estate Surveying and Valuation firms were 12 (80%), for

landlords 27 (90%) and for the tenants 26 (86%). These responses seem adequate and provide a basis of discussion of this paper. The study employed descriptive statistical method of data analysis which comprises frequency distribution and the percentage. The study equally adopted summated rating scale which is particularly useful because it allows the respondents to express the intensity of their feelings using five point likert scale.

1.5 Data Analysis and Discussion

In order to achieve the aim of this paper, related questions were posed to the three categories of respondents which are Estate Surveyors and Valuers, landlords and tenants as regards the objectives. The analysis of these questions were shown in the tables below.

‘ESTATE SURVEYOR AND VALUERS’

Table 1: Socio Economic Characteristics of the Respondents Estate Surveyors and Valuers.

Years of establishment of firm	Frequency	percentage
1 – 5 years	2	16.7
6-10years	4	33.3
11-15years	2	16.7
16-20years	3	25
Above 20years	1	8.3
Total	12	100

Academic Qualification of respondents	Frequency	percentage
HND	4	33.3
B.Sc	5	41.7
Masters Degree	3	25
Total	12	100

Professional Qualification	Frequency	percentage
ANNIV/RSV	10	83.3
FNIVS	2	16.7
Total	12	100

The analysis in Table 1 indicates that all the firms have considerable years of management experience with majority covering between 6 to 20 years and above. The table further shows that the majority of the respondents possess Bachelor’s degree 41.7%, Higher National Diploma 33.3% and even Masters with 25%. Besides, all the respondents Estate Surveyors and Valuers are registered members of the Nigerian Institution of Estate Surveyor and Valuer (NIESV) with different membership designation. These therefore make the information given to be more reliable and dependable.

Table 2: Categories of property in the firms’ management portfolio

Property Class	Yes	No
Residential	12(100%)	0(0.0%)
Commercial	12(100%)	0(0.0%)
Industrial	1(6.7%)	11(93.3%)

Source: Field survey, 2015.

The outcome in Table 2 reflects that residential and commercial properties maintain the highest record of 100% in the management portfolio of the sampled firms. This outcome confirms the major activities of the practicing surveyor in the study area as well as their extent of involvement in residential and commercial management practice and this corresponds with the scope of properties covered by the study.

Table 3: respondents were asked the rate at which they update knowledge in property management

Rate	Frequency	Percentage
Often	4	33.3
Very Often	0	0
Not Often	7	58.3
Indifferent	1	8.3
Total	12	100

Source: Field survey 2015

Table 3 reveals the rate at which respondents estate surveyors and valuers undergo training on property management practice. The outcome of the analysis shows that they do not usually go for training in this aspect and this is represented by 58.3% in the table. This could affect their performance in term of efficiency and service delivery.

‘TENANTS/LESSEES’

This section analyses the responses from the questionnaires distributed to the tenants and lessees within the study area.

Table 4: Educational qualification of the respondents tenant and lessee

Educational Qualification	Frequency	Percentage
Degree/HND	16	61.5
ND/NCE	7	27
School Leaving Certificate	3	11.5
Primary School Certificate	0	0.0
No formal Education	0	0.0
Total	26	100

Source: Field survey, 2015.

Table 4 indicates that majority of the tenants possess either degree or HND showing that they have the required level of education that enable them to attend to the questionnaire appropriately. This therefore enhances the reliability and dependability of the data.

Table 5: Tenants opinion on the performance satisfaction derived from the Estate Surveyor and Valuers engaged

Factors	VS -Very Satisfied (5)	S- Satisfied (4)	U-Undecided (3)	FS-Fairly Satisfied (2)	NS - Not Satisfied (1)	Value of rating	percentage
Good human relation	12(60)	6(24)	1(3)	4(8)	3(3)	98	75%
Given reasonable interval for rent review	11(55)	6(24)	2(6)	3(6)	4(4)	95	73%
Apportionment of service charge among tenants	7(35)	10(40)	3(9)	4(8)	2(2)	94	72%
Charging of fees in line with ethics of the profession (NIESV)	8(40)	10(40)	0(0)	1(2)	5(5)	87	67%
Routine inspection of the property to know the state of repairs.	4(20)	7(32)	2(6)	4(8)	9(9)	75	57.6%
Holding regular meeting with tenants.	2(10)	4(16)	1(3)	3(6)	16(16)	51	39%
Apportionment of repair liability between landlord and tenant	2(10)	3(12)	1(3)	4(8)	16(16)	49	37.6%
Prompt response to repairs and tenant complaints	3(15)	2(8)	0(0)	2(4)	19(19)	44	33.9%

Source: Field survey, 2015

Educational Qualification	Frequency	Percentage
Degree/HND	13	48
ND/NCE	7	26
School Leaving Certificate	5	18.5
Primary School Certificate	2	7.4
No formal Education	0	0.0
Total	27	100

From Table 5 , good human relation of Estate Surveyors and Valuers with tenant has the highest, with summated rating of 98(75%) out of possible maximum of 130. By implication, estate surveyor and valuers exhibit good human relation with the tenants while discharging their duty as property managers. Other highly rated factors are; reasonable interval for rent review, charging of professional fees in line with ethics of the profession, apportionment of service charge with value rating of 95, 94, and 87 respectively. On the other hand, inspection of the property regularly has a summated rating of 75 (57.6%) indicating a fair satisfaction to the tenants. Holding of regular meeting with tenants, apportionment of repair liability and response to tenants complaint have summated rating of 51, 49 and 44 respectively. These rating values are very poor when compared to the possible maximum of 130 assuming all respondents pick very satisfied. The implication of this is that Estate Surveyors and Valuers usually neglect these aspects of property management.

‘LANDLORD/PROPERTY OWNERS’

This section analyses the response from the questionnaires distributed to the landlords and property owners within the study area.

Table 6: Educational qualification of the respondents landlords

Source: field survey, 2015

Table 6 shows the analysis of the educational qualification of the respondent landlord. The table reveals the level of education of the respondents and majority of them are either degree or HND holders with a response rate of 13(48%). This enhances the reliability of the data collected from the respondent.

Table 7: Respondents opinion on the purpose for engaging the service of Estate Surveyor and Valuer in

Purpose	Frequency	Percentage
For profit maximization	8	29.6
For prompt and adequate payment of rent	6	22.2
To ensure maintenance of the property	6	22.2
To avoid tenant harassment	4	14.8
I don't have time to do it myself	3	11.1
Total	27	100

Source: Field survey 2015

Table 7 indicates various purposes for which landlord or property owner may engage the services of and Estate Surveyors and Valuers. All the purposes have responses, implying that all are necessary. Profit maximization has the highest response rate of 8 (29.6%). Others that have higher response rate are prompt and adequate payment of rent and ensuring adequate maintenance of the property with 22.2% each. This implies that the services of Estate Surveyors and Valuers in property management are important to the property owners.

Table 8: Landlords' opinion on the level of satisfaction derived from the Estate Surveyors and Valuers engaged in property management

Basis	VS- Very satisfied (5)	S- satisfied (4)	U- undecided (3)	FS- fairly satisfied (2)	NS- not satisfied (1)	Value of Rating	Percentage
Integrity	9(45)	7(28)	4 (12)	5(10)	2(2)	97	71.9
Honesty	7(35)	10(40)	0(0)	3(6)	7(7)	88	65.2
Promptness in rent remittance	6(30)	8(32)	2(6)	2(4)	9(9)	81	60
Profit maximization	5(25)	8(32)	3(9)	4(8)	7(7)	81	60
Efficiency	5(25)	8(32)	0(0)	2(4)	12(12)	73	54
Regular inspection of the property	3(15)	4(16)	2(6)	3(6)	15(15)	58	42.9
Regular preparation of schedule of dilapidation for repairs	3(15)	4(16)	1(3)	3(6)	16(16)	56	41.5
Ability to responds to tenants complaint promptly	2(10)	4(16)	1(3)	5(10)	15(15)	54	40

Source: Field survey, 2015

Table 8 reflects the opinion of the respondents landlord on the level of satisfaction derived from the estate surveyors and valuers engaged in the management of their properties. Integrity of the estate surveyor and valuer in carrying out property management function has the highest response rate with the summated rating of 97 out of possible maximum of 135. By implication, estate surveyors and valuers placed high priority on integrity in property management practice as evidenced in the opinion of landlords who engaged their services. However, the satisfaction derived by respondents from the services rendered by estate surveyor in term of regular inspection of property, preparation of schedule of dilapidation and ability to respond to tenants complaint promptly is poor with value rating of 58, 56 and 54 respectively.

1.6 CONCLUSION AND RECOMMENDATIONS

Summarily, the paper concludes in line with the outcome of the analysed data on the various respondents sampled in the study. Of all the property types usually managed by estate surveyors and valuers, residential and commercial properties constitute the largest class with 100% response. The finding of the study shows that Estate Surveyors and Valuers do not update their knowledge in property management on regular basis. The finding also revealed that the tenants/lessee are satisfied in term of human relation, interval of rent review and apportionment of service charge, fairly satisfied on the routine inspection and not satisfied on the apportionment of repair liability, prompt response to tenant complaint and holding of meeting with tenants on regular basis. Profit maximization, prompt payment of rent and adequate maintenance of property constitute major purposes for engaging the services of Estate Surveyors and Valuers by property owners while they are not satisfied in term of property inspection, preparation of schedule of repairs and response to tenants' complaint.

The study however recommends amongst others that Estate Surveyors and Valuers should regularly improve their knowledge in property management through training, retraining, seminars and workshops which could be organized by head of forum practice in collaboration with Nigerian Institution of Estate Surveyors and Valuers (NIESV) and Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON). In addition, property owners should cultivate the habit of maintenance culture in respect of their property by authorizing the managing Estate Surveying and Valuation firms to set aside some amount from rent collected for maintenance purpose annually. Estate Surveying and Valuation firms

should create a unit from the existing management department to be called "Quick Response Unit" that will be readily available to attend to tenants complaint

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