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PRE-TENANCY ACTIVITIES' EFFECTS ON PROPERTY MANAGEMENT PERFORMANCE: IBADAN EXPERIENCE

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Abstract - Pre-tenancy activities are those activities that are pre-requisite and precede the establishment of landlord-tenant relationship. The aim of this study is to assess the effect of pre-tenancy activities on property management performance in Ibadan and this aim was achieved through the following objectives to: identify the stakeholders in property management; determine socio-economic features of real estate experts and their practices; identify some of the pre-tenancy activities; and analyze the effect of pre-tenancy activities on property management performance. Therefore, the data was analyzed by frequency distribution and percentage, mean value and ranking methodologies. The research finds that there exists both positive and negative effect of pre-tenancy activities on property management performance. And that the positive impacts inundated the negative effects. The study hereby recommends that there should be continuity in the implementation of pre-tenancy activities by the property management firms, as it helps the property management performance amidst the tenancy stakeholders, specifically in Ibadan.

Keywords - Tenancy, Pre-tenancy activities, property, management performance, Ibadan metropolis

I. INTRODUCTION

Generically, tenancy denotes legal relationship amid two or more parties in a lease. It involves the occupation of one's land or landed property by the other in consideration for periodic rent. Accordingly, RICS (2016) define lease or tenancy as a contract between lessor(s) and lessee(s) whereby former grants the right of usage of an asset for a fixed period of time to latter in return for series of payment(s). Consequently, certainty of duration and exclusive possession are essential features of a lease or tenancy to mention few. In property management practice, there exist events which determine the performance of the property and the estate manager. These events are also referred to as 'pre-tenancy activities' in a lease. These activities takes place before tenant take possession of his or her leasehold interest in property.

Pre-tenancy activities are pre-requisite and precede the establishment of landlord-tenant relationship. It allow landlords to have the best knowledge and understanding of the incoming tenants. In effect, the risks involving the in-coming tenant are assessed by the managing surveyor in order to put support measures in place to mitigate the risks in property management. Moreover, property management connotes the act of intermediating between property owners and occupiers on matters related to property which affects the parties (Oladokun and Ojo, 2012). Its performance is claimed to either short-lived or prolonged the lifespan of the property. Thus, it is a feasible, viable and lucrative part of real estate investment. Also, it involves the stakeholders such as the property owner (landlords)/investors, tenants (users/occupiers apart from owner) and estate managers (agents/mediators).

In literature, it was observed that property management is experiencing performance problem (under-performing) which discourages massive investment in Nigeria (Sani and Gbadegesin, 2015). This has generated questions with respect to the possible causes of depressing performance in property management. For instance, relevant questions have been asked as to whether causes could be traceable to internal factors such as lack of implementation of proper conducts of pre-tenancy activities by the stakeholders prior the commencement of tenancy.

There are several studies which have been carried out that examined the performance management among which include Mwita (2000), Melkers and Willoughby (2005), Campus (2006), Pulakos (2004), Thereska (2010), Koopmans *et al.*, (2011), Qamar and Asif (2016). Aside the fact that these earlier studies centered on performance management as a system-based model vis-à-vis cultivation of public and private sectors achievement culture, these studies were carried out in developed economy without considering the effect of the activities that precedes property management. Also, some indigenous studies like Oladokun (2010) investigated the sustainable practice in property management in relation to the challenges and benefits of the practice in Nigeria by considering the practice in advanced countries as a yardstick. Further indigenous studies such as Oladokun and Ojo (2012)



and Oyedele (2013) assessed property management practice in Nigeria, Audu et al. (2018) examined tenants' satisfaction with provided services in commercial properties whereas Sani and Gbadegesin (2015) focused on private rental housing market in Kaduna metropolis, Nigeria. However, none of these available studies focused on the aspect of assessing the property management performance in relation to pre-tenancy activities.

More so, apart from researches that are available which focuses on property management and its performance, there appear to be paucity of literature on the pre-tenancy activities and its effect on property management performance. Also, empirical studies with specific focuses on property management and its performance vis-à-vis pre-tenancy activities are lacking or non-existence. Therefore, this study intends to answer some salient questions such as: who are the stakeholders in property management, what are the socio-economic characteristics of some of the stakeholders, what are pre-tenancy activities, what are the effect of pre-tenancy activities on property management performance.

Thus, the aim of this research is to analyze the effect of pre-tenancy activities on property management performance. This is with a view to educate the stakeholders in property dealings on the importance of effective pre-tenancy activities on property management performance. Therefore, the objectives are to: identify the stakeholders in property management; determine socio-economic features of real estate experts and their practices; identify some of the pre-tenancy activities; analyze the effect of pre-tenancy activities on property management performance.

This study is justified from the perspective of providing information that will be useful to the practitioners in real estate industry. The findings of this research will be valuable for equipping asset managers and other stakeholders in property business in making informed property management decisions. This study is further justified from the perspective of the contribution it will make to property management literature because currently, there is scanty of literature that focuses on pre-tenancy activities, hence this study.

II. LITERATURE REVIEW

To Udechukwu (2006), property encompasses all interests, rights and benefits associated with real estate ownership. These interests, rights and benefits are often verified with ownership evidence such as title deed, certificate of occupancy (CofO) etc. as a separate title from the physical real estate. Real property is a good investment due to its non-mobility, stability in relation to its appreciation nature and less management risks (Audu et al., 2018). In a developing economy like Nigeria, the demand for property has outstripped its supply to a large extent as commercial and multi-tenanted

residential property developments are limited. This is what necessitates the need for effective property management of the existing properties and see how the deficit supply of property will be met.

Property management has therefore become mainly a professional matter (Audu et al., 2018). This is true as it entails systematic process of planning, organizing, leading and controlling resources in order to achieve set goals (Udechukwu, 2006). To Oyedele (2013), property management involves searching for tenants, rent collection, property maintenance to ensure property milieu are intact, attending to tenants' complaints, ensuring paying statutory and commercial bills, ensuring value for money and watching over of their belongings. Therefore, it is a process of safe keeping the property in a state devoid of decay or and good health so as to achieve enhanced property value and maximum investment returns or yield. However, poorly-managed properties are characterized by worn-down milieu and physical torn of the property and they are conspicuous to the naked eyes and make the property to attract lower values. Hence, property management requires the employment of a qualified estate (property) manager to ensure effective delivery of qualitative property management services. Thus, these services are measured via performance appraisal.

According to Oladokun (2010), property management conventionally entails the application of specialized skills to care for the investment in buildings. This study emphasized property management, mainly, as a responsibility or and function of an Estate Surveyor and Valuer. This is due to the level of training undergone in different field like financial, accounting, economics, architecture, quantity surveying, etc., which makes them become experts in the use, development and management of properties. Meanwhile, other stakeholders like landlords and tenants also have their different roles to play. Performance appraisal in property management has often been associated with the functional state and financial success attributed to property. Thus, performance is regarded as a major competitive issue and property management activities are now measured on the basis of the value added to the functionality of real estate (Audu et al., 2018).

As property for the purpose of rentals is concerned, there are basic activities that determine its management performance. This activity is termed pre-tenancy activities. These activities are those that are pre-requisite and precede the tenants occupying a property in a lease. As a result, there existed various forms of pre-tenancy activities among which include advertising or marketing of the available space, disclosure check or inspection and checklist, proper selection among various prospective tenants, obtain referees assurance, preparation of quality tenancy or lease agreement, motivating or encouraging tenant to pay, insurance of property, preparation of schedule of inventory, maintenance and repairs



of physical elements of the property, formal documentation and registration of prospective tenants' detail among others. For further understanding, all the above identified pre-tenancy activities are hereby discussed.

A. Types of Property Management's Pre-Tenancy Activities

The various types of pre-tenancy activities in property management include the following discussed below:

- i. **Marketing or Advertising available space for letting:** Advertising or marketing is a non-personalized communication practice, paid by a known sponsor, executed via media and or other legal ways with primary aim of familiarizing with some products as well as the products procurement by probably large consumers audience (Frolova, 2014). It has a central role to play in developing branding image at any level (Oyedele, 2013). If property manager cannot get or secure more than one tenant for a property to be leased or let, it indicates that the advertisement strategy is not adequate or that the letting terms and conditions are not attractive. In addition, advertisement contents have to be factual and correct information. This is apparent according to the article 11(1) of the Code of Ethics 2012 that: regardless of the type of advertising media used, content shall be truthful and honest at all times.
- ii. **Disclosure or Background check:** This aspect involves the act of conducting background information checks on all the aspiring or prospective tenants. It has to do with choosing from a multitude of prospective tenants. In doing this, there should be avoidance of sentiments in choosing the best tenants. The status of the prospective tenants in relation to information like age, nature and security of job or employment engaged, salary earned, previous house rented and their relationship therein should be determined. The authentication of this information ought to be ensured so as to ascertain data disclosure genuineness.
- iii. **Tenant selection:** In tenant selection, there are principles guiding selection of best tenants. It is unethical to base the selection technique on first-come first-serve basis. This pre-tenancy activity is pre-requisite to qualitative property management performance, that is, a good tenant selection/screening will lead to success in property management performance (Udechukwu, 2006; Brzowski, 2008). Some of the criteria considered in selecting tenants include character of the prospective

tenants, financial capability and job security, landlord and tenants' preferences, provision of suitable references, family size, available facilities within the property premise and suitability of use (Ojo, 2003; Akomolede, 2006; Udo-Akagba, 2006), guarantorship, ethnicity and religious preference, police report (Sani and Gbadegesin, 2015).

- iv. **Obtain referees assurance:** As one of the pre-tenancy activities, getting referees assurance to attest to the fact that, the tenant is of good character, reliable and can maintain the property, cannot be over emphasized. These referees are referred to as guarantor(s). Being one of the crucial factors, it should not be neglected prior to letting of a property. This is with a view to obtain first-hand opinion of referee(s) that are unbiased about a potential tenants' suitability for the property.
- v. **Prospective tenants' detail registration and documentation:** Under this pre-tenancy activity, documentation and registration of prospective tenant's information which may include filling of necessary forms like acquaintance form is necessary. This involve filling information such as full name of the prospective tenant, current office or residential address, occupation detail, status, telephone number, nationality, state of origin and local government area, next of kin's details, and so on. Thus, the essence is to familiarize with would-be tenant.
- vi. **Preparation of quality tenancy/lease agreement:** According to Igwenagu *et al.*, (2019) lease/tenancy agreement is a document which legally binds and defines the landlord-tenant relationship usually drawn by a property attorney. Prior to the occupation of any vacant property by the potential tenant, there should be preparation of qualitative tenancy/lease agreement which must be cleared, unambiguous and legible. This has to be signed by all the parties to the tenancy/lease, seal and deliver each copy of such to every party (UN-HABITAT, 2006; Igwenagu *et al.*, 2019). The tenancy/lease agreement should state and establish what constitutes rights, duties or obligations of the landlord, agents and tenants (UN-HABITAT, 2006) with the penalties that will be meted out in case of breaches by any of the parties. Similarly, tenancy commencement date and termination period must be included in the tenancy agreement. Under this type of pre-tenancy activity, it is advisable to engage the service of a solicitor (a legal practitioner) to ensure perfect delivery of this aspect of activity. However, in practice especially in the study area, most estate firms do establish lease/tenancy agreement themselves without involving any solicitor



with the intention of gaining legal fee into their company's or personal purse. Though, this is not best in standard professional settings. Howbeit, there are some standard real estate firms in Ibadan that have legal department in their organization setting for perfect delivery of any legal related matters. Nevertheless, the solicitor should rely upon the professional counsel of estate managers in the following matters such as: property description, length of tenancy or lease term, rent payable, provisions and restrictions for sub-letting, responsibility for services, repair and insurance clauses, payment of service charge and its administration, covenants between landlord and tenant, to mention few, towards achieving qualitative tenancy agreement.

- vii. **Encouraging prospective tenant to pay:** After a proper selection techniques has been used to determine the best tenant that is suitable for the property (and other aforesaid pre-tenancy activities engaged), rent and other incidental charges payment by the tenant is followed. Thus, such payment can be executed immediately the letter of recommendations has been presented on behalf of the prospective tenant (Oyedele, 2013). In addition, whether the payment is transferred into agent's account or paid by cash or cheque, there should be a well written receipt given in return as evidence of payment to the tenant. Part of the money payable includes: actual rent of the property, legal fee (as a percentage of rent), agency fee (as a percentage of rent), caution deposit (as a percentage or estimated sum) and service charge (as a percentage or estimated sum). Also, it is the duty of the property manager to ensure that rents are paid in the manner stipulated and appropriate.
- viii. **Insuring the property:** Insurance is "a pool of risk". It is a good idea taken insurance policy on a rent yielding property from a reputable insurance company that are capable of insuring property against rent loss at affordable premium. This premium can be derived by demanding a deposit as security against breach of rules such as damages of fixtures and fittings, non-payment of subsequent rent and so on, from a tenant. This deposit must be equivalent to the first month rent (called the last month rent) should be collected upfront as deposit which should cover envisaged damages by the tenants. Thus, as part of pre-tenancy activities, insuring properties has to be ensured for the purpose of catering for future risk on the property (building and chattel therein). Also, ensuring adequate insurance coverage on property is another important responsibility of the property manager. The regular payment of premiums on the

insured property should also be ensured. When properties are not adequately insured, they may soon be out of existence because certain mishaps can affect them. Note that, the best basis of insurance cover should always be reinstatement, that is, when total cost is suffered, the property will be put back into a condition not worse of or better of the former condition as possible (Udechukwu, 2006). Therefore, such property should not be under or over-insured.

- ix. **Preparation of schedule of inventory:** Inventory is the totality of fixtures and fittings, equipment, and other chattels and materials contained in a house, store or factory at any given time (Oyedele, 2013). Preparation of up-to-date inventory is important by listing all the materials from "Axe to Zip". No material, no matter how small, should be left out of the list. A review of inventory needs to be conducted between the tenants and the representative of the landlord. All parties involve must be asked to sign copies of such inventory. It should be noted that, under no condition should a representative sign for a tenant. Also, the quality apart from the quantity should be described properly because the qualities of the elements determine the value of the property.
- x. **Maintenance and Repairs:** Maintenance is the work necessary to preserve a building in its original state, so that it continues to give the same services it provided when it was new. The aim of property maintenance and repair is to preserve the building, its services, fittings and appearance in their original state so that they continue to provide effective use of the facilities thereby securing optimum returns for the property owner. Generally, maintenance and repair functions include repainting, redecoration works, refurbishment, repairs, replacement of default element, cleaning and servicing. These as a part of pre-tenancy activities should be strictly adhere to and executed in case there is any defect or disrepair in building components. Any disrepair or defect in building noticed should be done prior to the commencement of the tenancy. This in effect will communicate to the prospective tenant that he or she must use the property in a good manner. Thus, the lifespan of the property and its components is hereby prolonged and the preservation of the market value of such property is ensured.

B. Theoretical Framework

Pre-tenancy activities is earlier said to be likened to "the process of allocation" which rely solely on the internal structure, conduct and performance of property managers

(estate firms). Therefore, this study is based on the theory that purports to link performance to the structure and conduct of practitioners in property management business i.e. structure, conduct and performance (SCP) theory postulated by Bain in 1951. The hypothesis became the theoretical framework for analyzing the structure, conduct and performance (SCP) theory of industries, firms, businesses or organizations despite its postulation in 1939 by Edward Mason. Therefore, the theory states that: the structure of firm impacts on the conduct of the firm which as a result affects or impacts the performance of such firm in that order. Consequently, the introduction and application of this hypothesis by several industries as illustrated in figure 1 below:

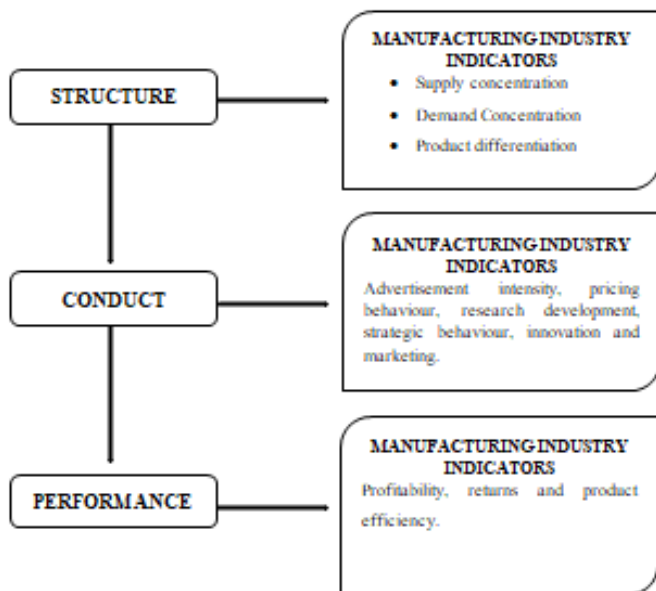


Fig. 1. Main idea of Bain on structure, conduct and performance (SCP)

Sources: Bain (1951)

In order to interpret this model, structure is the internal attributes of organization(s) that strategically influence competition and pricing nature of a specific market (Bain, 1951; Ray, 1992). Also, conduct means the activities, actions or behavior of firms in the market geared towards enhancing performance (Bain, 1951). Meanwhile, performance in the SCP model represents the result (economically) from the influence of structure and conduct of a firm in form of profitability, returns or product efficiency. Moreover, there are studies which show the need for further modifications of Bain's model for the suitability of various industries by determining the reversal causal relationships amongst structure, conduct and performance variables. This, according to Porter (1981), is known as "feedback". The feedback model states that: conduct can influence structure while performance can similarly influence conduct in a reversal order.

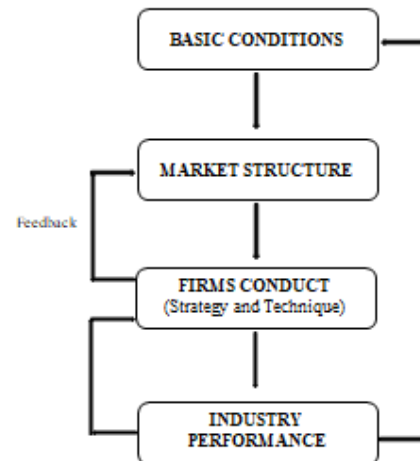


Fig. 2. Porter's feedback model on SCP

Source: Porter (1981)

Therefore, this study which intends to analyse the effect of pre-tenancy activities on property management performance adopts and modifies these models in its conceptual framework by generating variables considered relevant to this study. It is expected that the authors' modified version of SCP model in the conceptual framework will explicitly reveal the correlations between pre-tenancy activities and property management performance.

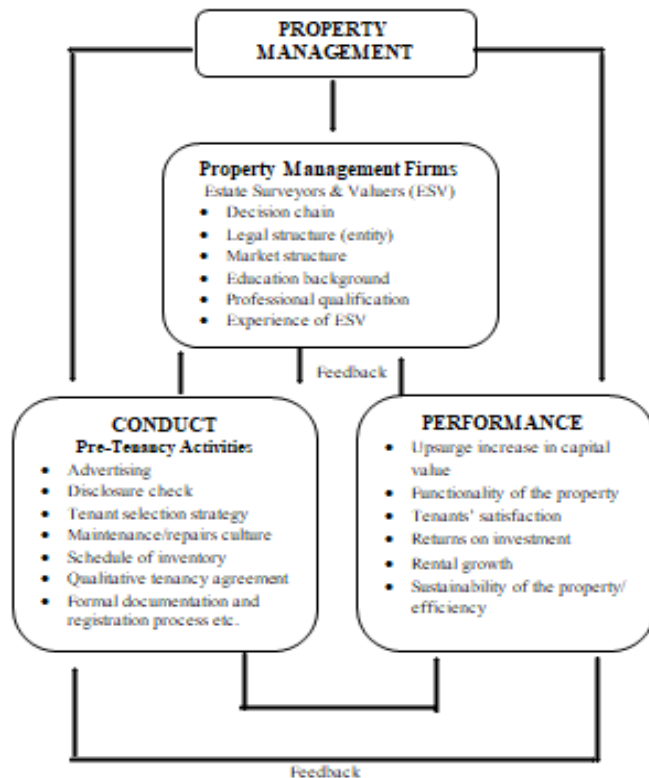


Fig. 3. Authors' modified SCP model for pre-tenancy activities on property management company performance in Nigeria.

Sources: Authors' Review (2021)

From the above conceptual framework, it can be deduced that property management is a part of real estate firm practices. Therefore, the structure of the firm which include decision chain, legal entity, the market structure, educational background of staff, the staff strength, professional qualifications, years of experience of estate surveyors in the field were observed as variables for organisation or firm structure under the property management. These are found to have impact on the performance (in terms of upsurge increase in capital value, functionality of the property profitability and property sustainability, investment return, tenants' satisfaction and rental growth). Conducts which are the pre-tenancy activity variables include advertisement, disclosure check, tenant selection strategy, qualitative tenancy agreement, formal documentation and registration process. In contrast, the concept indicates existence of a feedback effect. Therefore, as the performance have feedback effect on organisation structure and conduct, the conduct (pre-tenancy activities) also have direct influence on the performance and the organizational structure and all these occurred in a reversal order.

C. Pre-tenancy Activities Effects on Property Management Performance

There are positive and negative effects of pre-tenancy activities on the property management performance and these are discussed as follows:

C1. Pre-tenancy Activities Positive Effects on Property Management Performance

- i. **Advertisement increases the demand for property and prevents long period of void:** As advertisement is an act of publicizing or creating awareness to the people on the availability of the property, its nature and type, usefulness and other information necessary for people to get attracted to such property, its adequacy increases demand which in effect make the property market to be sellers' market (i.e. sellers having good bargaining power), averts elongated void period, etc. Meanwhile, advertisement involves a lot of efforts mentally, physically and money wise.
- ii. **It ensures effective and qualitative tenant selection:** Pre-tenancy activities ensure proper selection of good tenants based on thorough scrutiny. The activities fishes-out rent defaulting tenants at initial stage including those that will be recalcitrant in the nearest future. Note that, a qualitative tenant selection technique that is not bias ensures proper selection of suitable tenants.
- iii. **It helps to determine prospective tenants' rent paying capability:** Practically, most prospective tenants become liable when it comes to the issue of paying subsequent rent having paid the initial rent. During the pre-tenancy activities, questions like: what is the tenant's average annual income, what is the source of initial and subsequent rent, among others would have been investigated. Therefore, the capability of the prospective tenants to pay subsequent rent would have been detected at the inception.
- iv. **It ensures proper acquaintance with the prospective tenants:** Here, as part of pre-tenancy activities, filling of necessary forms like acquaintance form and guarantor's form is quite essential as it ensures some levels of familiarization with the prospective tenants. Therefore, the prospective tenant(s) is expected to fill his/her detail information appropriately and correctly. The tenants must append signature to ensure information legitimacy.
- v. **Pre-tenancy activities help to know the state of disrepair:** The term inventory entails a complete list or catalogue of all the elements, fixtures and fittings including chattels in a property. It helps to determine the quantity and quality of these building components



including their conditions before taking-up the tenancy. This is usually done at the beginning (called schedule of inventory) and the one executed at the termination of the tenancy is called schedule of dilapidation. All parties to the tenancy must under-sign this schedule. Thereby reduces future disagreement or disputes because the schedule would have shown the current level of disrepair before the tenant take possession. This in effect, will necessitate prompt repair and maintenance works prior to the handing over of the property to prospective tenant(s).

or better off, before the incidence. This type of insurance package can only be enjoyed provided that the insured subscribe to the policy called comprehensive insurance. Meanwhile, such property should neither be under-valued or over-estimated to ensure that adequate premium is been paid annually.

C2. Pre-Tenancy Activities Negative Effect on Property Management Performance

- vi. **It guarantees enjoyment, good and peaceful co-existence in the property:** Thus, adequate and effective maintenance and repairs of building components prior to the commencement of the tenancy ensures peaceful enjoyment of the tenant's interest in the property. This guarantees tenant's satisfaction which serve as part of criteria for measuring the performance of property management.
 - vii. **Sustainability of the property:** As discussed earlier, the lifespan of the property tends to be prolonged and stand to the test of time. This is imperative provided the pre-tenancy activities are always implemented. Besides, the performance of the property measurable in terms of rental growth, capital value growth and increased return on investment will be ensured on the part of the property owner.
 - viii. **Increase in referrers' brief:** The effective delivery of pre-tenancy activities increases patronage and clientele relationship is built between the property managers and the clients by recommending their services to people.
 - ix. **It helps in duties, obligations, responsibilities and covenants clarification:** As the contents of tenancy agreement include duties, rights, obligations and covenants of every party to a tenancy, the reading and proper interpretation at the beginning of the tenancy to the parties involve is essential. This is because, it helps to clarify the duties, rights and obligations of each party and thereby prevent conflict of interest which may arise in the nearest future. It should be noted that, the condition therein (tenancy agreement) must be unanimously agreed by the parties, signed and delivered before tenants take possession of the property for letting.
 - x. **Pre-tenancy activities ensures protection of the property against peril:** Insuring property prior to the taken of possession by tenants help to protect the property, its fixtures and fittings including chattels from any unforeseen fire hazards, burglary or theft issues and the likes. Perhaps, there are cases of any risk, the property and everything attached to it will be indemnified and reinstated into a condition not worse of
- i. **Property owner or manager's financial implication:** Under this heading, it occur that there will be act of expending more money by either the property owner or his/her agent (property manager) in order to cater for the purchase of materials meant for maintenance or repair works, insurance premium (if it is the landlords obligation to insure the property), advertisement expenses and lots more. To carry out these expenditures under pre-tenancy activities, the main source of fund will be from the rent payable or paid by the prospective tenants.
 - ii. **Reduction of landlords' rental income:** The deduction of funds from available rental income to cater for various activities in respect of management property will in effect short-change the expected rental income of the property owner, that is, the expectation of property owner (property investor) in terms of return on investment will be reduced drastically.
 - iii. **Discouragement of investment in property:** The thought of many investors before investing in any business is to attract reward in form of prestige, returns etc. Once the expected return on investment is probably envisaged not been regular and/or being reduced often, then investors will tend to be discouraged to invest in such properties. This problem, in effect will have implications on real estate sector and at large affect the gross domestic product (GDP) of the country.
 - iv. **It leads to delay and time wastage:** The long process of thorough scrutiny in selecting tenants that are suitable enough to occupy the property to let, undertaking disclosure or background check amongst various interested prospective tenants consumes more time than expected thereby, causing delay and increases the void period of the property.
 - v. **Intruding the prospective tenants' privacy:** Many prospective tenants thinks otherwise when it comes to barging-in into their privacy by an unknown person in the name of letting an apartment. For instance, Estate Managers, during the process of undertaking disclosure or background check may want to know more private information about the prospective tenants by asking



questions like: how old are you, what is your average annual income, how many children and other dependents do you have, what is your source of income, and others. All these, among other questions were invariably not usually answered or responded to appropriately by many prospective tenants. This is due to the fact that, they view it as intruding into their privacy which they were unwilling to disclose “on a platter of gold” to an unknown person. This activity seems discouraging many tenants in patronizing a qualified real estate professionals in their quest for accommodations.

- vi. **It reduces patronage of prospective tenants:** Some of these pre-tenancy activities such as background check which on many occasions discourage potential tenants from patronizing the real estate practitioners in their quest for accommodations by thinking that they (agents) wants to delve into their privacy. This in effect reduces demand for houses been managed by professionals which as a result increases void period of the properties.
- vii. **It leads to resources wastage:** Engaging in pre-tenancy activities requires getting more personnel for effective delivery of the jobs which will only be relevant during that period and subsequently needs to continue to finance them without engaging in any other works. Also, there are building elements which can still be managed by the prospective tenants but which they may insist for their replacement or repairs. This in effect will require purchasing new materials and spare parts to carry out such repairs which might seem not necessary because the current available element might still be useful. At times, for instance, some tenants will require repainting the property when it is not necessary.
- viii. **It is not economical:** The engagement of pre-tenancy activities is not economical in the sense that, it engulfs huge funds. Invariably, huge part of the rental income of the property owner will be eroded because these pre-tenancy activity expenses are always not planned. Hence, it is not profitable and practicable.

III. MATERIALS AND METHODS

The effect of pre-tenancy activities on property management performance was measured in Ibadan metropolis. Ibadan, as a choice, is justified purposively being the African second largest city and the Nigeria largest city. It accommodates Forty-three (43) of the practicing registered estate surveying and valuation firms that engages in property management (Oyo State NIESV Membership Directory, 2018). The study area is characterized with varieties of investments in property

from residential to commercial uses that engage in pre-tenancy activities within the city. More so, the sample frame is the personnel of the available registered estate surveying and valuation firms practicing property management in Ibadan metropolis.

The data required for this study is primary data and the instrument used to obtain it was questionnaire. The self-administered questionnaires being a vital instrument of collecting data is considered appropriate because of the fact that it allows for explanation of questions in situation where some respondents may not be fully knowledgeable and it is reliable than mail questionnaire and telephone conversation. Questionnaires were administered on 43 firms of practicing, Ibadan based Estate Surveyors and Valuers. The scope of the study was restricted to the opinions of practitioners in relation to their day-to-day experiences in property management relative to pre-tenancy activities in the study area.

Respondents were examined to provide facts and figures in terms of their socio-economic characteristics, pre-tenancy activities' type and the effect of pre-tenancy activities on property management performance in the study area. Consequently, 33 out of 43 questionnaires administered were completed and retrieved. This amounted to 77% of the respondents out of 100% which was found adequately for this research purpose. Therefore, for the purpose of this study a total number of Thirty-three (33) (100%) questionnaires were used for analysis. As the review of few available literatures was used to identify objective one, the percentage and frequency statistical method was used to analyse objective two. Also, likert scale between 5 and 1 was utilized to measure mean value and ranking method was utilized to analyse objectives three and four of this study.

IV. RESEARCH FINDINGS AND DISCUSSION

This section is devoted to research findings and discussion as indicated below:

A. Socio-Economic Characteristic of the Respondents

A total of 33 responses from the study area were analyzed as indicated in table 1 below. In order to know the status of the respondents within the study area, questions were asked regarding their age. Table 1 below shows the distribution of respondents' age. It reveals that 3(9%) out of the 33(100%) of the respondents were between the age of 18 to 25 years while 6(18%) falls between 26 to 35 years and 16(49%), 6(18%) and 2(6%) falls on the age brackets of 36 - 50, 51 - 60 and 61years – above, respectively. Since the age difference from 36 – 50 has the largest percentage, this implies that people from adolescent to middle age limit are rampant in the property management practice meaning that people that are above 60years less practice property management due to old age.



Table 1 - Socio-Economic Characteristic of the Respondents

Description	Frequency (N =33)	Percentage (100%)
Age		
18 - 25 years	3	9
26 - 35 years	6	18
36 -50 years	16	49
51 – 60 years	6	18
Above 60 years	2	6
Marital Status		
Single	7	21
Married	26	79
Divorced	0	0
Widowed	0	0
Education Background		
HND	5	15
B. Sc.	15	46
M. Sc.	12	36
PhD	1	3
Professional Qualification (NIESV)		
Student	0	0
Graduate/Probationer	9	27
Associate Member	20	61
Fellow	4	21
Gender		
Male	26	79
Female	7	21
Years of Experience in Property Management Practice		
1 - 5 years	4	12
6 - 10 years	10	31
11 -15 years	8	24
Above 16 years	11	33

Source: Field Survey, 2021

Also, table 1 summarizes the marital status of the respondents and found that 7(21%) were single, 26(79%) remain married while divorcees and widow/widowers were nil, respectively. The implication of this is that the greater percentage of property management practitioners which were married really possesses the experience required in the practice as it requires dealing with human beings whereas people that were single (21%) were still undergoing one certain training or the other.

Moreover, the details of the educational background of the respondents is shown in table 1 which include 15%, 46%, and 36% who were HND holders, BSc holders and Masters holders, respectively. Meanwhile 3% of the respondents were Ph.D. holders. The inference here is that the larger percentages of the respondents were graduates from various accredited universities of real estate profession which ensures qualitative delivery in their respective firms.

Furthermore, table 1 revealed the professional qualification of the respondents. The table shows that 27%, 61% and 12% were Graduate/Probationers, Associate members and Fellow members of the Nigerian Institution of Estate Surveyors and Valuers who were recognised by Estate Surveyor and Valuers

Registration Board of Nigeria. This implies that, there are qualified personnel with pre-requisite knowledge who were ready to implement the professional ethics and conducts stipulated by these regulatory bodies in the profession. Each of these respondents was found practicing property management in a particular estate firm or the other.

In addition, table 1 showed the gender status of the respondents and this indicates that 26(79%) of the total respondents were male while 7(21%) of the respondents were female. This then shows that, the numbers of male practicing property management is far more than the numbers of female. Therefore, it can be concluded that, pre-tenancy activities under the property management practice are very tedious and requires more agility of men rather than the flexibility of the women.

More so, table 1 showcased the years of experience of the respondents in property management practice in the study area. The years of experience is categorized as 1-5, 6-10, 11-15 and 16 years above with 12%, 31%, 24% and 33% respectively. These represents the fact that people with 16 years above are more vast in experience in the real estate profession thereby ensuring the qualitative statistical data of this study.

B. Status of the Real Estate Firms and Their Property Management Departments

This section depicts the status of the real estate firms and their property management departments that were surveyed as indicated in table 2 below. Table 2 below shows the size of property management portfolio in each of the estate firms. Thus, firms with 1-10 sizes of property management portfolio were nil, 11-20 were 6%, and 21-30 indicates 18% whereas firms with highest size of property management portfolio of 31 and above were 76% of the total respondents. The inference drawn from this table is that, the more property management portfolio possessed by a firm, the more involvement they are in implementing pre-tenancy activities in managing their property portfolio.

In the same vein, table 2 below shows the detail of firms in the study area in terms of how many branches they possessed. Therefore, 94% of the respondent claimed that their branches ranging from 1-5 across the country whereas remaining 6% declared that their branches were from 6-10. This indicates that, there are more practicing property management firms that are springing up to capture the need for adequate and qualitative delivery in property management. More so, having many branches reduces the unemployment status of the estate management graduates from various accredited universities



across the country and also facilitates Industrial Training (IT) placement for student members in the profession.

Table 2 - Status of the Real Estate Firms and Their Property Management Departments

Description	Frequency (N =33)	Percentage (100%)
Size of Property Management Portfolio		
1-10 years	0	0
11-20 years	2	6
21-30 years	6	18
Above 30 years	25	76
Number of Branches own by Estate Firm		
1 - 5 years	31	94
6 - 10 years	2	6
11 -15 years	0	0
16 - 20 years	0	0
Above 20 years	0	0
Number of Residential Property Managed		
1-20	3	9
21-40	7	21
41-60	12	37
61-above	11	33
Number of Commercial Property Managed		
1-10	12	37
11-20	4	11
21-30	5	15
31-above	12	37
Number of Property Management Staff		
1-5	20	61
6-10	6	18
11-15	4	12
16 – above	3	9
Qualifications of Head of Property Management Unit		
SSCE	0	0
OND	0	0
HND/BSc	29	88
MSc above	4	12
Property Management Policies		
Yes	32	97
No	1	3

Source: Field Survey, 2021

Also, table 2 presents the details on how many residential properties that the respondents' firms have in their portfolios. From the table, 9%, 21%, 37% and 33% of the respondents claimed that the number of residential property being managed ranges from 1-20, 21-40, 41-60 and 61 above, respectively.

Besides, table 2 depicts the number of commercial properties being managed by the respondents' firms. From this table, 37% of the respondents claimed that their size of commercial property being managed is within the range of 1-10 and 31-above respectively. Similarly, 11% and 15% of the respondents stated that their commercial property portfolio is within the range of 11-20 and 21-30 in that order. This information means that, the numbers of commercial properties managed in their portfolios are less than the number of residential properties managed within their respective portfolios.

Furthermore, table 2 shows the number of property management staff of the respondents' firms. The table indicated that 20 (61%) of the respondents claimed that their total number of staff for the property management department of their respective firms ranges from 1-5 and 6(18%) of the respondents stated that the property management staff in their department is between 6-10. On the other hand, both 12% and 9% of the respondents were of the opinion that, their number of property management staff ranges from 11-15 and 16-above, respectively. This implies that, adequate delivery in property management requires an increase in number of workers (that is, the higher the properties in the portfolio, the greater should be the management staff for effective service delivery).

Moreover, table 2 which reveal the qualifications of the head of property management units showed that 88% of the respondents' head of property management unit in their respective firms are HND/BSc holders whereas 12% claimed that the head of their property management staff possessed M.Sc. degree and above. This implies that most of the head of departments of those respondents firms are graduates. This in effect may facilitate the formulation of various policies that will enhance adequate delivery of pre-tenancy activities in the study area. To affirm the discussion under Table 12, Table 13 thereafter indicated that 32(97%) of the respondents agreed that they possessed property management policy which guides them in their various activities.

C. Pre-tenancy activities

In order to determine the third objective, some of the identified pre-tenancy activities were ranked according to their level of importance to the property management firms. This was achieved by listing the identified pre-tenancy activities and scaled in the order of 'importance' ranging from 5 to 1 with 5 being very important, 4 – important, 3 – fairly important, 2 – not important and 1 being undecided depending on their perceived level of importance. The analysis of responses to these activities is by means of frequency count and rank order. Therefore, table 3 shows the details of these responses.

First, Table 3 shows that 19(58%) and 14(42%) of the respondents under the formal documentation/registration of prospective tenants' details activities claimed very important and important respectively with the mean value of 30.2 thereby ranked 1st amongst all other pre-tenancy activities. Second, the responses under Maintenance and Repairs activities had 18(55%), 13(39%) and 2(6%) as in very important, important and fairly important respectively. This makes this pre-tenancy activity to have the calculated mean value of 29.6 which is then ranked 2nd in the table 3 below.



Table 3 - Suggested Pre-Tenancy Activities in Property Management

Activities	U	NI	FI	I	VI	Mean	Ranking
Marketing/Advertising	-	-	-	18 (55%)	15 (45%)	29.4	3 rd
Disclosure check	-	-	7 (21%)	16 (48%)	10 (31%)	27.0	7 th
Tenant selection	-	-	1 (3%)	19 (58%)	13 (39%)	28.8	4 th
Referee's assurance	-	-	2 (6%)	22 (67%)	9 (27%)	27.8	5 th
Formal documentation/registration	-	-	-	14 (42%)	19 (58%)	30.2	1 st
Quality tenancy agreement	1 (3%)	-	-	14 (42%)	18 (55%)	29.4	3 rd
Encourage payment	-	-	3 (9%)	22 (67%)	8 (24%)	27.4	6 th
Insuring property	3 (9%)	7 (21%)	4 (12%)	13 (39%)	6 (18%)	22.2	8 th
Schedule of inventory	-	-	2 (6%)	17 (52%)	14 (42%)	28.8	4 th
Maintenance/repairs	-	-	2 (6%)	13 (39%)	18 (55%)	29.6	2 nd

Source: Field Survey, 2021

Key: U – Undecided; NI – Not Important; FI – Fairly Important; I – Important; and VI – Very Important

More so, the analysis in Table 3 showed that 18(55%) of the respondents claimed that Marketing/Advertisement of available space for letting is important and 15(45%) said this is very important while fairly important, not important and undecided were nil. The response from the table indicates that 18(55%), 14(42%) and 1(3%) claimed very important, important and undecided respectively while others were nil under the Preparation of quality tenancy/ lease agreement activity. Therefore, these two pre-tenancy activities were ranked 3rd with the same mean value of 29.4.

Moreover, tenant selection and preparation of schedule of inventory are two other activities that share the same rank. That is, 13(39%), 19(58%) and 1(3%) under Tenant selection chose very important, important and fairly important, respectively while the remaining levels were nil. For preparation of the schedule of inventory, 14(42%), 17(52%) and 2(6%) of the respondents selected very important, important and fairly important whereas others were nil. As a result, the weighted mean value of these two activities were 28.8 and thereby ranked 4th on the table.

Furthermore, the activity of Obtaining Referees' assurance took the 5th position on the table with 27.8 as the mean value. This is due to the Likert scale selected by the respondents under this activity. That is, 9(27%), 22(67%) and 2(6%) of the respondents chose very important, important and fairly important respectively while not important and undecided were nil. The act of encouraging prospective tenants to pay rent was ranked 6th with the mean value of 27.4. The

respondents under this activity claimed that 8(24%), 22(67%) and 3(9%) were very important, important and fairly important respectively while other scales were nil.

From the table, the Disclosure/Background Checks on the prospective tenants was ranked 7th possessing the mean value of 27.0. This result is due to the fact that 10(31%), 16(48%) and 7(21%) of the respondents agreed to very important, important and fairly important in that order. Last on this list is the insuring the property activity. This activity was ranked least (8th position) as its mean value was 22.2. Under this activity the scale showed that 6(18%), 13(39%), 4(12%), 7(21%) and 3(9%) chose very important, important, fairly important, not important and undecided respectively. This implies that insuring property(s) is of less importance in the study area as it is not been practiced often by the property owners.

D. Pre-tenancy Activities Effects on the Property Management Performance

The Table 4 below revealed the suggested positive effect of pre-tenancy activities on the property management performance and the Likert scale used here shows the level of significance of each of the suggested positive effect of pre-tenancy activities on property management performance.

Table 4 - Suggested positive effects of pre-tenancy activity

Positive effects	HI	I	FS	S	VS	Mean	Rank
Increases demand/prevent void	-	1 (3%)	1 (3%)	17 (52%)	14 (42%)	28.6	1 st
Ensure proper selection of tenant	1 (3%)	1 (3%)	2 (6%)	19 (58%)	10 (30%)	27.0	5 th
Determine rental ability	1 (3%)	3 (9%)	3 (9%)	18 (55%)	8 (24%)	25.0	6 th
Reduce conflict/disclose obligation	1 (3%)	-	2 (6%)	14 (42%)	16 (49%)	28.6	1 st
Familiar to condition of property	1 (3%)	1 (3%)	1 (3%)	16 (49%)	14 (42%)	28.0	3 rd
Ensures good knowledge of tenant	1 (3%)	1 (3%)	4 (12%)	15 (46%)	12 (36%)	27.0	5 th
Prolong property lifespan/peaceful enjoyment	1 (3%)	1 (3%)	1 (3%)	14 (42%)	16 (49%)	28.0	2 nd
Increases referrers' brief	2 (6%)	1 (3%)	3 (9%)	12 (36%)	15 (46%)	27.2	4 th

Source: Field Survey, 2021

Key: HI – Highly insignificant; I – Insignificant; FS – Fairly significant; S – Significant; and VS – Very Significant.

The identified positive effect that were ranked 1st were both 'advert increases demands or prevent void' and 'proper understanding of tenancy agreement reduces conflicts and disclose obligations to the parties' with the mean value of 28.6 respectively. Also, from Table 4, 'prior adequate maintenance or repairs prolong the property lifespan and ensure peaceful enjoyment of the property' and 'proper inventory taking



ensures familiarization to property condition/state of repairs' takes the 2nd and 3rd rank with mean value of 28.4 and 28.0 in that order. More so, 'effective pre-tenancy activities increases referrers' brief' as a positive effect takes the 4th rank with the mean value of 27.2.

Following these effects are two other positive effects i.e. 'proper selection of responsible tenants' and 'ensuring good knowledge of tenant' has the 5th rank together, with the mean value of 27.0 whereas the positive effect 'determining the rent paying ability of prospective tenants' gets the 6th position with the mean value of 25.6.

Moreover, the negative effect of pre-tenancy activities on property management performance is shown in Table 5. In spite of using the likert scale from 5 to 1 to depict the level of agreements on each negative effect, the negative effect of having 'financial implication on the part of the property owner' was ranked 1st, 'reducing rental income' takes 2nd position, 'not economical' ranked 3rd and 'leading to delay and time-wastage' was ranked 4th with the mean value of 23.8, 23.6, 21.8 and 21.6 respectively. Others like 'intruding the privacy of the prospective tenants', 'leads to resource wastage', 'reduction in patronage of potential tenants' and 'discouraging investment in real estate' takes 5th, 6th, 7th and 8th position with the mean value of 21.4, 21.0, 20.4 and 19.6 respectively.

Table 5 - Suggested negative effects of pre-tenancy activity

Negative effects	U	S	D	A	SA	Mean	Ranking
Financial implication on owner	3 (9%)	2 (6%)	6 (18%)	16 (49%)	6 (18%)	23.8	1 st
Reduces rental Income	1 (3%)	5 (15%)	8 (24%)	12 (36%)	7 (21%)	23.6	2 nd
Discourages Investment	2 (6%)	11 (33%)	8 (24%)	10 (31%)	2 (6%)	19.6	8 th
Intruding privacy of tenants	1 (3%)	6 (18%)	14 (42%)	8 (24%)	4 (12%)	21.4	5 th
Reduces patronage	2 (6%)	11 (33%)	6 (18%)	10 (31%)	4 (12%)	20.4	7 th
Resource wastage	1 (3%)	9 (27%)	11 (33%)	7 (21%)	5 (15%)	21.0	6 th
Not economical	2 (6%)	8 (24%)	7 (21%)	10 (31%)	6 (18%)	21.8	3 rd
Delay/time wastage	1 (3%)	10 (31%)	7 (21%)	9 (27%)	6 (18%)	21.6	4 th

Source: Field Survey, 2021

Key: U – Undecided; SD – Strongly disagree; D – Disagree; A – Agree; and SA – Strongly agree.

V. CONCLUSION

From the above findings and discussions, pre-tenancy activities are of different types and were deduced to be common in practice based on the responses of the respondents from the survey. Also, the discussion above submits that effect of these pre-tenancy activities on property management

performance were both positive and negative. However, it was found that the positive effect of pre-tenancy activities on property management performance exceeds its relative negative impact. Consequently, the study concludes that the act of including pre-tenancy activities in the policy(s) of property management firms should be prioritized and implemented. This is with a view to continually enhance the property management performance on the part of the property owners, the tenants and the property managers.

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