

A Study on Occupiers Satisfaction with Commercial Property Management Services

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Abstract

Real estate sector is one of the most globally recognized sectors. It comprises of four sub sectors housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. Buying a house (especially under construction from a developer) is a very different experience. The home buyer is confused with lot many thoughts, new ideas, current methodologies in construction like environment friendly use of energy and materials. The process which starts from booking travels various zones and then ends at possession. This period goes through various phases of happiness (elation) to depression to joy to frustrations and so on. This paper attempts to understand the expectations of the tenants/occupiers from the property management companies. It also aims at finding out factors determining occupiers/tenants' satisfaction.

Keywords: Occupiers; Tenants satisfaction; Property management; Real Estate.

INTRODUCTION

Real Estate

In India, the real estate sector is the second highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. Bengaluru

is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun. Property developers and owners generally want to move on to the next project as soon as each one is completed.

PROPERTY MANAGEMENT

It is the administrative procedure of managing Residential, Commercial, and or Industrial real estate by a third party contractor. Generally, property managers take responsibility for day to day repairs and on going maintenance, security, and upkeep of properties. They usually work for the owners of investment properties such as apartment and condominium complexes, private home communities, shopping centres,

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and industrial parks. Property management is the effective management of real estate by a third party. Even if they continue to hold title to the property, they prefer to delegate the day-to-day operations and management to an outside company. The responsibilities of a property manager generally involve Screening potential tenants, drafting, signing, and renewing leases on behalf of property owners, collecting rent, maintaining properties including landscaping and snow removal, arranging for necessary repairs to properties, setting up and adhering to budgets for property maintenance, and the companies must comply with any state and local landlord tenant laws and regulations. Owners pay property managers a fee or a percentage of the rent generated by a property while it is under their management.

CLIENT SATISFACTION

The property owner's decisions are based on various parameters; he is naturally nervous and, in some cases, confused or even unsure about the success ratio of his hard earned investment, yet eager to invest the age old guarantee of land and property returns investment. The managing staffs have a major role in deciding this journey of the home buyer. There are few things which are beyond your control but your words of assistance and assurance can help them enjoy this journey peacefully. Keeping a customer satisfied and sorting out the customer complaints are the top most priority of most real estate companies. However, it is only a handful of companies that are able to keep their customers happy and delighted. What lacks is two way communication, customers keep complaining and there is no ear to listen. The communication needs to be complete. The answer lies in the way SG Estates perceives customer complaints and reviews. If these complaints and reviews are taken as negative and we run away from them, they're going to multiply and grow like a weed on an unattended piece of land. Most Property Management Companies take complaints and reviews as opportunities to see what customers are talking about and what corrective actions are required to keep them satisfied.

Need for the Study

Property managers play a major role in managing your real estate property. As with all types of investment, putting your hard earned money into real estate can bring with it some major risks. Whether it's an unexpected slump in the market or arising strained rental affordability, there's

always a chance you might lose when you play the property game.

Effective property management can be one of the best ways to lower the risk and get ahead. So, what does that look exactly like? Individuals interested in pursuing a property management career may also read this article to understand the importance of good property management and consider the following points in their careers. Some of these includes: Return on Investment (ROI), improving the Quality of Life of Others, safety for all, proper planning, Maintaining Healthy Relationships, and the Importance of Good property Management.

Customer Satisfaction measures how products or services supplied by a company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses. Min a survey of nearly 200 senior marketing managers, 71% responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses. Here are 6 reasons that Client Satisfaction is very important:

- It is a leading indicator of consumer repurchases intentions and loyalty
- It is a point of differentiation
- It reduces customer churn
- It increases customer lifetime value
- It reduces negative word of mouth
- It is cheaper to retain customers than acquire new ones

OBJECTIVES OF THE STUDY

- To understand clients' requirements, and services required by them for enhancing their business operations.
- To measure level of clients' satisfaction with services rendered by property management company.
- To identify areas of improvement for achieving customer delight.

REVIEW OF LITERATURE

*Rianne Appel-Meulenbroek, M. Gordon Brown (2010)*¹ The objective is to show the alignment of corporate real estate tendency to use many different corporate strategies, and strategic application. In today's knowledge economy, the specialization of

employees has increased the necessity to network and share knowledge. Findings from the literature study are applied to the Dutch care sector, to study the alignment process in more depth. In the Findings, there's a lot work to be done in studying the alignment, the connection of real estate and corporate strategies by trying to model the alignment process on expert knowledge and various sectors of real estate success projects.

Louise Ellison, Sarah Sayce, Judy Smith (2007)² The objective explains a series of relationship between sustainability and the functional performance of property in a detailed theory. This paper explores the potential link between the sustainability of a property asset and its investment worth. A series of relationships between sustainability and the functional performance of a property are theorized. A set of parameters quantifying the impact of that functional performance on rental growth and depreciation are then developed. The Findings are that sustainability is pertinent to property investment and can be analysed in relation to potential impact on standard investment appraisal variables. The paper presents a model for doing this as a foundation from which further work can be developed. Two example appraisals are presented to demonstrate the approach developed.

Sita C. Amba & Rao (1991)³ The objective is to understand the service component in Real Estate Business based on an exploratory study. In order to understand the service component in the real estate business, an exploratory study was conducted. A sample of clients of a real estate in a Midwestern city was surveyed by a mail questionnaire. Client perceptions of experienced service and their satisfaction with the service were examined. Analysis includes implications for research and practice. The objective is the five services such as expectations; communication, relationship, effectiveness and knowledge that are found to be related with client satisfaction, of these five expectations have the most influence which depends on the role of the sales associate and the sale / purchase transaction.

Danny Shiemi - Shin (2010)⁴ The objective concludes that the creation of enabling workplace required a proactive management model that can integrate real estate provision and facilities service management. In the findings, the study shows how important it is to acknowledge that almost all strategic business decisions have a real estate and a facilities dimension to their investments. The crucial question is to what extent are such implications thoroughly evaluated, articulated, and presented

at senior management levels where serious and strategic long term business decisions are made.

Klingenberg, R.J Brown (2006)⁵ The Objective includes the paper that elucidates both in general as well as in Real Estate with an in-depth view of literature of the agency problems, and compares the qualitative findings. The paper aims to provide an analysis of the principle agent relationship between owner (principal) and manager (agent) of investment properties by: developing an optimization model for the net profit scenario that any third party manager of properties in multiple locations faces; and describing the principle's (or owners) problem and likewise developing an income optimizing model. The findings, management contracts are inappropriate for the manager to control and cover the transaction cost which results from the fact that more location is managed. The optimizing model shows that profit maximization for the manager depends on an optimum number of properties to be managed.

Seetharaman Arumugam, Saravanan, and Patwa Nitin (2017)⁶ The aim of this research is to determine the impact of property management services on tenants' satisfaction with the three identified variables i.e., facility management, perceived quality and lease management. Structural equation modelling (SEM) is applied to build constructs and test the hypothesis with the collected survey samples. Of the three variables, facility management is the most influential factor that leads to tenant satisfaction with industrial buildings. The overall findings of this research will potentially help real estate developers to develop a better property management system, leasing program and tenant retention strategy. Findings from the three components, which are facility management, lease management and perceived quality, were meticulously analysed to understand their degree of influence on tenant satisfaction and how the satisfaction is linked to tenant renewal or recommendation.

Jeffery Gale, Fred Case (2020)⁷ Corporate real estate resources have been estimated at over one quarter of the current market value of the total assets of major American corporations. This study, based upon interviews with corporate real estate executives, examines the current state of corporate real estate resource management practices. It found that while the dominant view of real estate continues to be as a production factor within this sample of corporations, there has been significant growth of corporate real estate units. This has been accompanied by increased influence and more

active real estate resource management.

RESEARCH METHODOLOGY

Research Design

Descriptive research design is used for this study. Descriptive research design includes surveys and fact findings, enquires of different kinds. The major purpose of Descriptive research is description of state of affairs, as it exists as present. In social business research we quite often use the term Ex post facto research for descriptive studies. The main characteristics of this are that the researcher has no control over the variable; he can only report what has happened or what is happening.

The population for this study is the clients of the organization. Sampling Unit is a set of elements considered for selecting a sample. In this research, we have taken survey from students of various individuals who either own or plan to own and even rent spaces for their respective needs. The sampling technique used was Convenience Sampling method. It refers to the technique where

the convenience sampling of each case being selected from the total population is known.

A total of 106 respondents were chosen for the study. The clients who could be approached were chosen as samples. Both primary and secondary data sources were collected for the study. Questionnaire was used to collect primary data. Secondary data was collected from research journals, newspapers and magazines.

DATA ANALYSIS AND INTERPRETATION

Data analysis is a process of inspecting, cleansing, transforming, and modelling data with the goal of discovering useful information, informing conclusions, and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, and is used in different business, science, and social science domains. In today's business world, data analysis plays a role in making decisions more scientific and helping businesses operate more effectively.

Table 1: Showing factors determining occupier satisfaction with respect to the services provided by your landlord/ property manager

Factors Determining Occupier Satisfaction	SDA	DA	N	A	SA
Property Management / Landlord gives clear and timely communication	17	12	24	36	19
Property Management / Landlord understands our business needs and provides suitable services	11	21	22	40	14
Property Management / Landlord is very responsive to our service requests	8	20	32	30	18
Property Management / Landlords has transparency in billing and documentation	12	12	19	48	17
Property Management / Landlord Exhibits professionalism	12	17	28	28	23
Property Management / Landlord always ensures the building premises are clean and well maintained	14	22	16	37	19

INTERPRETATION

One with the Most is Property Management / Landlords has transparency in billing and

documentation which is 48 (A), One with the Least is Property Management / Landlords has transparency in billing and documentation which is 8 (SDA).

Table 2: Showing Overall rating of services rendered by landlord or property managers' services

Rating your landlord and property Managers services	Frequencies	Percentage
Excellent	24	22.2
Good	47	43.5
Some issues need to be addressed	30	29.6
Poor	5	4.6
Below Standard	0	0
Total	106	100

INTERPRETATION

From table 1 it is observed that 43.6 % of respondents are Good, 29.6 % of respondents have some issued

need to be addressed, 22.2% of Respondents are Excellent, 4.6% of Respondents are Poor, and 0% are Below Standard.

Table 3: Showing customers' perception on "Value for Money" received during their period of tenancy

Value of Money	Frequencies	Percentage
Strongly Disagree	3	2.8
Disagree	6	5.7
Neutral	42	39.6
Agree	41	38.7
Strongly Agree	14	13.2

Total	106	100
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INTERPRETATION

From table 2 it is observed that 39.6% of respondents are Neutral, 38.7% of respondents Agree, 13.2% of Respondents Strongly Agree, 5.7% of Respondents Disagree, and 2.8% of Respondents Strongly Disagree.

Suggestions	Frequencies
Be more Professional	1
Better parking for visitors	1
CRM Practices	1
Employ more people to management	1
Good	1
Hygiene and cleanliness to be priority	1
I suggest that owners should be more transparent and more helpful to the tenants before signing the agreement and honouring the same	1
I wish you all the Best	1
Kindly improve the Maintenance	1
Landlords hand over their properties in a as is where is condition. All facilities are to be provided by the tenant.	1
Little More Maintenance needed	1
Maintenance and compromise rent at times of Pandemic and loss of business	1
More Prompt Response needed	1
More responsive to Service requests	1
N/A	4
NIL	4
No	18
No Comments	1
No Suggestions	1
None	1
Nope	1
Not at this point	1
Perfect	3
Property management services must be of better quality and the time period involved in completing tasks are reduced.	3
Question 11 has them all	1
Regular meetings with occupants	5
Since our issue was regarding rental properties, the tenants related that all maintenance was at our costs but rental was fixed keeping the cost in mind, hence no regret. For those who have agreements that clearly state that the owner must oversee maintenances, and then the situation will be different. In these days it is better to get advantage of rental and maintain services by self!	12
They need to be customer oriented	3
They should be more professional	4
Very well maintenance	5
We should have good managers to take care of the management and we should personally supervise their work	7
Yes we require flexibility and the landlords approach should be more favourable towards his tenants.	6
You need to pay well to get a good service	11
Total	106

SUMMARY OF FINDINGS

- One with the Most is Property Management / Landlords has transparency in billing and documentation which is 48 (A)
- 43.6% of respondents are Good
- 39.6% of respondents are Neutral
- 36.8% of respondents are Likely
- Most respondents did not respond in the positive with regard to commercial property management, and said No.

SUGGESTIONS

There are some issues that need to be addressed. Since our issue was regarding rental properties, the tenants related that all maintenance was at our costs but rental was fixed keeping the cost in mind, hence no regret. For those who have agreements that clearly state that the owner must oversee maintenances, and then the situation will be different. In these days it is better to get advantage of rental and maintain services by self!. Property management services must be of better quality and the time period involved in completing tasks are reduced. Maintenance and compromise rent at times of Pandemic and loss of business.

CONCLUSION

The Real Estate and construction industry are here to stay with the economic progress of the nation; the urban and rural development segments have ensured that this industry is second largest employer in India. The concept of property management is noticed more in the multinational companies MNC's and in the larger establishments. In India we see that they're miles to go in bringing customer satisfaction to the people and having people understand the importance of property management in small establishments. The international field of property management companies have played a vital role in taking the profitability. Good repetition of builders, building up keep and tenant occupancy and both residential and commercial investment properties to great heights. Some of the greats in the international field are Greystar, BH Management Services, and

Colliers International. With the environment and climate changes the world has to move forward with better energy savings, recycling, and effective property management. Property management will have to cater to various strata of societies and become that indispensable link to productivity, development, human satisfaction and economic growth.

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