

EFFECTS OF SERVICE CHARGE ADMINISTRATION AND MANAGEMENT IN
SELECTED MULTI-TENANTED COMMERCIAL BUILDINGS IN PHASE ONE, ABUJA.

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APRIL, 2023.

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THESIS SUBMITTED TO POSTGRADUATE SCHOOL
FEDERAL UNIVERSITY OF TECHNOLOGY MINNA, NIGER STATE, NIGERIA
IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF DEGREE OF
MASTER OF TECHNOLOGY (M.Tech) IN ESTATE MANAGEMENT AND VALUATION

APRIL, 2023.

ABSTRACT

This study assessed the effect of service charge administration and management on selected multi tenanted commercial buildings in phase one Abuja where specific objectives were set. The study was guided by these objectives which are knowing the process and procedure for service charge apportionment, the strategies put in place for the management, investigate the issues and challenges involved in the management as well as assessing the occupant level of satisfaction in the selected areas. Data was collected by use of self-administered questionnaire and interview from a sample of 8 respondents from managers' perspective and 254 from tenants' perspective. Data was analyzed and presented using percentages, frequencies, relative satisfaction index and tables. Findings from the research show that 37.5% charged or apportioned their service charge on per sqm bases while 25% of service apportionment is based on percentage of total cost of projection while 25% of some selected buildings within phase one charge 10% of their rent. However, 75% of the buildings within phase one use the amount to carry out maintenance work, payment of security salary and payment of service bills while others repair the building by outsourcing it to the facility manager or give out to an entirely different company to carry out the job. Also 50% of the manager's use it for procurement of diesel and 100% of the building use the service for alternatives best suitable for them. The challenges and issues encountered are lack of transparency, lack of efficiency, improper accounting and poor facilities. Nonetheless the relative satisfaction index was computed to show the satisfaction level of the occupants where Plumbing has a relative satisfaction index of 0.7772 and ranked first among the services and facilities provided in phase one. Cleaning of common services ranked 2nd with a relative satisfaction index of 0.718. However refuse disposal has a relative satisfaction index of 0.653 and ranks 3rd. Furthermore, transformer maintenance has a relative satisfaction index of 0 and it ranks 13th while borehole machine and generator maintenance ranks 12th and 11th with RSI of 0.031 and 0.161 respectively. A number of guidelines should be taken in order to address the problems identified above which include Improved communication between manager and occupiers, clear disclosure of the basis for apportioning service charge costs between tenants.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Property management was carried out before Nigeria gained her independence unconsciously and unprofessionally (Ibrahim, 2015). This shows that most estate management activities were carried out by non-professional which requires better approach and expertise. This demonstrates that the method of property management was conventional in every way and that it is still used in rural areas. However, high-rise building management, which is typically multi-tenanted in nature, demands knowledge and turns into a professional matter. This requires the employment of professionally trained estate managers who will look after it and put it at it best (Oyedele, 2013). As a result, many professional firms now manage a large number of privately owned high rise structures. Additionally, the government has acknowledged professional services through its different entities. Real estate management also entails managerial decision-making and problem-solving, going beyond the simple collecting of rent. Planning, organizing, directing, and controlling with regard to the portfolio of real estate assets being managed on behalf of his clients are only a few of the activities carried out by the managers (Thorncroft, 1965; Odudu, 1987).

A multi-tenanted commercial building contains a number of tenants under one roof whose main purpose is to conduct business. By making use of the space, it is possible to provide the tenants using such spaces with a variety of goods and services (Streen, 2002). Even while it creates a significant amount of cash when handled effectively, if it is not, it may run into troubles with tenant selection, insurance, security concerns, service fee administration, default in the payment

of rent, and other issues (Watts, 2014; Snyder, 2012). A significant issue influencing the management of multi-tenanted commercial properties is the property managers' ineffective service delivery, the practice of employing quacks or unqualified individuals to manage properties. Property managers who are not professionals (quacks) are to blame for this issue. Despite being given management responsibilities by the investors, the non-professionals lack the necessary training and expertise in property management. Due to their lack of knowledge and expertise in property management, this has caused the managers to adopt management practices that are unethical and unprofessional, which has led to issues including poor tenant selection, late rent and service charge payments, and administration. However, security concerns, inadequate oversight of maintenance and repair work, among other challenges, are problems cited by Alabi and Ebiwari (2018).

The management and maintenance of property is carried out by a facility manager where it plays a significant role. The facility manager properly handles and maintains the property in their care. However, a facility manager plays multiple roles in some cases where there is need to lease and value the property in question by monitoring its condition at the same time. In order to control physical and functional obsolescence and to raise the utility value of services jointly used by the tenants, such as lighting, cooling, lifts, and garden care, among others, the duty of managing and administering service charges on a multi-tenanted property is necessary.

Service charge is, therefore, a way in which an owner of a property is able to recover from the occupiers the cost of services it provides to them for the benefit of the premises. The structure of service charge is in a way that the nature of the services provided differ with the type of premises e.g. office blocks, industrial/warehousing, shopping centers, High rises residential building, multi-tenanted commercial and mixed use properties. However, it has always been challenging

to recover money spent by the facility managers where there is need to rescue situation from getting out of hand. This study assesses the effects of service charge administration and management in selected multi-tenanted commercial buildings in selected buildings in phase one Abuja

1.2 Statement Of The Research Problem

There is need to thoroughly investigate and manage an open account of service charge by the facility manager which will make management and administration of service transparent. This problem will be addressed in this research using selected multi-tenanted commercial buildings in phase one Abuja.

Service charge administration is a means which enables sharing the costs of common services amongst multiple occupiers in a property. The manager in charge will administer these services which a fee will be paid. However, the service charge will not be for profit and not for loss basis and it will be enough for the stakeholder, managers, owners and occupiers will know what and how it comes about. Furthermore, there will be a month notice for reconciliation to the start of service charge year by the manager to all users within four months before the year ends.

1.3 Aim and Objectives

The aim is to assess the effects of service charge administration and management in selected multi-tenanted commercial buildings in phase one Abuja and the following specific objectives are to be achieved:

- i. Examine the facilities/services that constitute service charge in selected multi-tenanted commercial buildings in phase one Abuja
- ii. Examine the process and procedure for service charge apportionment in the study area.

- iii. Examine the strategies put in place for the management of service charges in the study area
- iv. Investigate the issues and challenges involved in services charge administration and management in commercial buildings in selected buildings in phase one Abuja
- v. Examine occupants level of satisfaction with service charge administration in commercial buildings in the study area

1.4 Research Questions

- i. What facilities/services constitute service charge in commercial buildings in selected buildings in phase one Abuja
- ii. What are the processes and procedure for the apportionment of Service Charge in multi tenanted commercial Building in phase one Abuja
- iii. What are the strategies put in place for the management of the multi tenanted properties in the study area
- iv. What are the issues and challenges encountered in the process of administration and management of service charge in multi tenanted buildings in the study area
- v. What is level of satisfaction of service charge administration on user of commercial buildings in the study area

1.5 Justification of the Study

Service charge has gain interest to improve the managerial and administrative activities in commercial property sector over the years. This study will however establish the reason behind apportionment of service charge, the possible challenges and possible solutions associated with it

administration and management. It will also evaluate how service charges affect the provision of high-quality services in commercial properties. However, as people become more aware of the significance of service charge in multi-tenanted buildings, it will also contribute to the body of knowledge already in existence on key issues related to service charge administration and management by instructing professionals on how to avoid the necessary pitfalls in service charge administration. Additionally, it will aid in clarifying the correct policy direction for facility management that complies with global best practices.

1.6 Scope of The Study

The scope of this study covers the multi-tenanted commercial buildings selected in phase one Abuja, comprising of Maitama, Asokoro, Central business district, Wuse and Garki. Phase one Abuja is where commercial activities is majorly concentrated in Abuja and is the most busiest. The selected properties are suitable for this research in terms of data availability for analysis. They are also accessible which further makes them active in terms of income generation and tenants. The multi-tenanted commercial buildings selected are ten in which two were picked per area. The subject properties will be able to provide data needed for the assessment of effects of service charge on multi tenanted commercial buildings in phase one Abuja.

1.7 Limitations of Study

The following are the limitations encountered during the course of the research work

- i. The managers and occupants are not always available to administer the questionnaire to
- ii. Lack of trust from respondents to answer questions that have been asked
- iii. There was problem of missing questionnaire compare to digital which will have been much safer and well-kept for retrieval.

1.8 Study Area

1.8.1 Geographical Description

The approximate area of Abuja, the capital of Nigeria, is 8000(km) square kilometers. It is located at latitude 9o4'0"N and longitude 7o29'0"E. Niger State and Kaduna State form the western and northern borders of Abuja, respectively. Kogi State and Nasarawa State form the eastern and southern borders of Abuja (Abuja Gallery).

1.8.2 Historical development

Nigeria's capital, Lagos, was relocated to Abuja because of the city's lack of growth area, heavy traffic, and high crime rate, among other factors. The federal government officially finalized the capital city's relocation in 1975. On August 9th, 1975, General Murtala Mohammed appointed a seven-person team to investigate the situation and create a new state that would serve as Nigeria's capital. However, General Ibrahim Babangida's administration as President from 1985 to 1993 saw the transition of Nigeria's capital from Lagos to Abuja (Abuja Gallery, 2015).

1.8.3 Administrative structure

The President appoints the Minister as head, who is in charge of running the federal capital territory's activities. Seven secretariats, or administrative buildings, make up the federal capital administration. Among these are the secretariats for the Area Council, Health and Human Services, Transport, Education, Social Development, Agriculture and Rural Development, and Legal Services. The Central Area, Wuse, Maitama, Asokoro, and Garki are the five (5) districts that make up Abuja Phase 1. Durumi, Jabi, Utako, Kado, and Gudu are the five (5) districts that make up Phase 2 of Abuja. Gwarimpa, Wuye, Mabuchi, and Katampe are the four (4) districts that make up Phase 3 districts. (Abuja Gallery, 2015).

1.8.4 Economic base

Abuja, being the country's capital, has drawn many global and domestic corporations, as well as communication and industrial service providers. Nigeria uses the naira as its official currency for import and export. (Abuja Gallery, 2015). The map below shows the study study area.

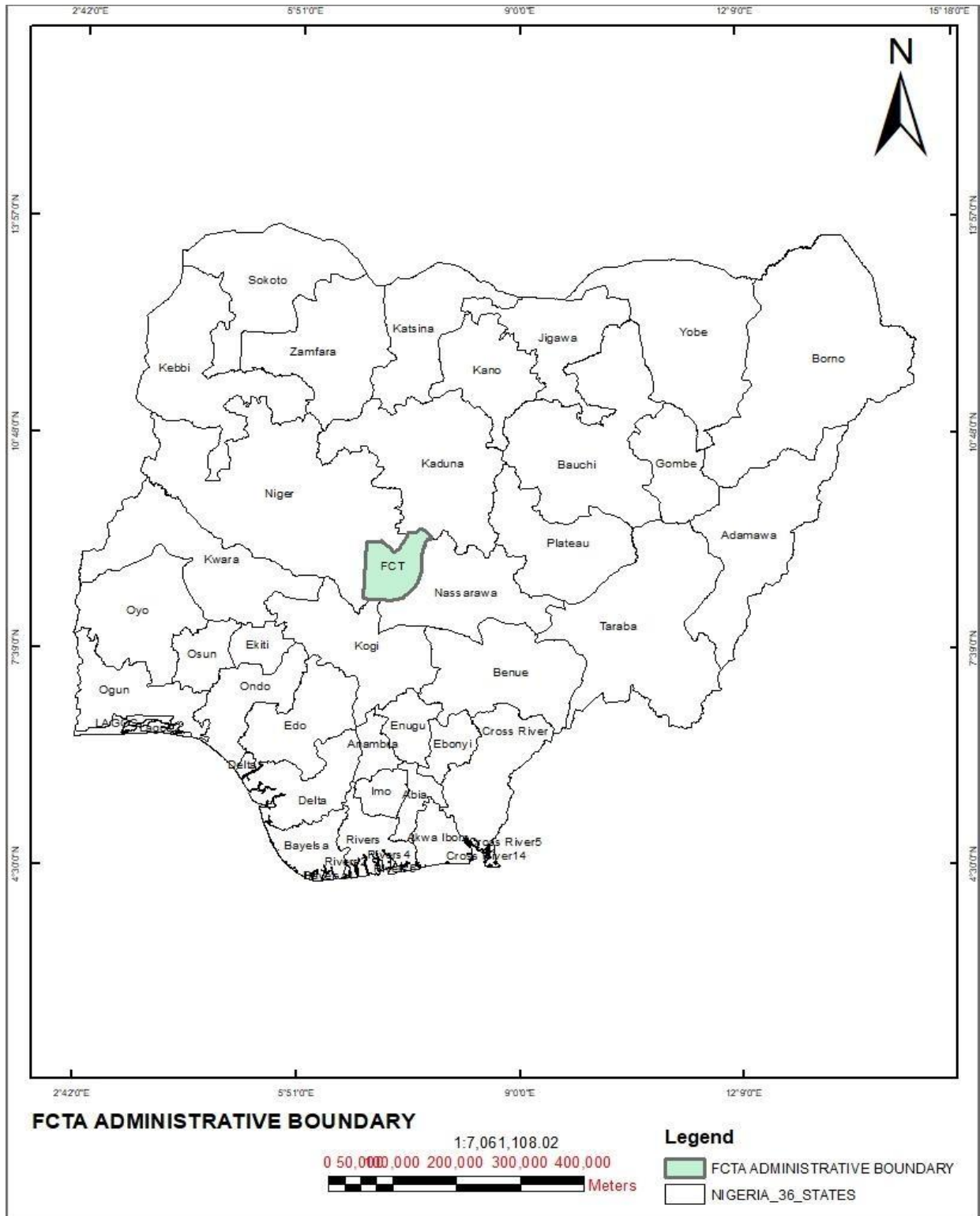


Figure 1.1: Map of Nigeria showing Federal Capital Territory Administrative boundary (FCT)

Source: Abuja Geographic Information System (AGIS), 2020.

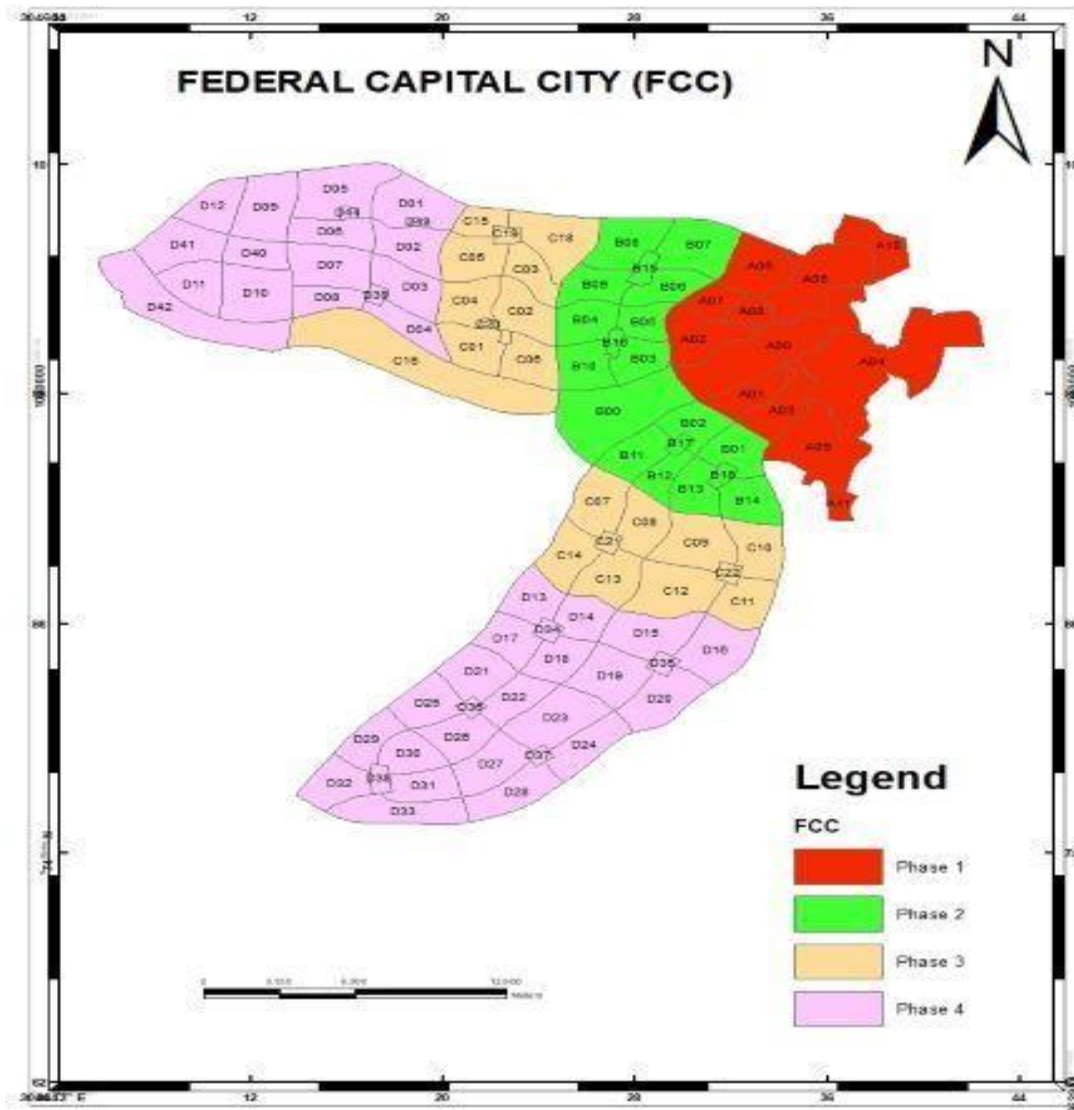


Fig. 1.2: Map of Abuja showing the FCC Phases I - IV

Source: Abuja Geographical Information Systems (AGIS), 2020.

CHAPTER TWO

2.0

LITERATURE REVIEW

2.1 Concept of Service Charge

Service Charge

According to Zedoni *et al* (2018), Service charge administration enables the sharing of costs of common services in properties among multiple occupiers. Based on the fees paid, the team oversees these services. However, best practices call for the delivery of services to be determined by the value for the money and subject to competitive bids. In addition, a service charge is an extra sum of money added to the rent that is used to pay for common services that renters and occupiers have agreed to receive from the property owners or managing agents

According to the RICS professional standards and guidance, UK (2018) official statement, it state that service charge should comply with landlord lease obligations to provide services with the cost of servicing and operating a property. The lease(s) agreement specifies the service charge arrangement, which gives the owner the right to recoup fees and other administrative expenses paid in the management of the property. However, this also includes any other works and services that the owner has agreed to provide, subject to reimbursement by the occupier, and reasonable costs of repair, maintenance, and replacement (typically this is beyond economic repair) of the fabric, equipment, plant, and materials necessary for the operation of the property.

RICS standards and regulatory requirements

The following RICS Rules of Conduct for Firms, the RICS Rules of Conduct for Members and the five RICS ethical principles must be comply with and it states that one must:

- Act with integrity.
- Provide a high standard of service.
- Act in a way to portray trust in the profession.
- Be ready to treat others with utmost respect.
- Always be ready to take responsibility. However, there is need to comply with related RICS professional statement both global and UK and it aimed to:
 - Generally raise standards, encouraging best practices, uniformity, fairness, and openness in the administration and management of service fees for commercial property.
 - ensure urgent attention to issues of budgets and year-end certificates
 - provide guidance by reducing causes of disputes when the need arises.
 - give advice to lawyers, clients, and managers of service charges in the negotiation, drafting, interpretation, and administration of leases in compliance with best practices..

2.2 Common Services in Multi-Tenanted Commercial Buildings

The following are lists of items that constitute common services in a multi tenanted buildings even though the amount to be paid vary from year to year based on predicted expenditure. However, it is the joint responsibility of the tenants to pay for operations, maintenance and repair of common services. The services include:

- i. Cleaning of common areas such parking spaces, stairwells, lawns, and landscaped areas is one of the services offered.
- ii. Clearing the premises of trash
- iii. Paying the security guards' salaries and benefits

- iv. Septic tank and soak away pit cleaning
- v. Electricity used for lighting public spaces and running pumps and machines.
- vi. Upkeep and fueling of the backup generator
- vii. Upkeep of elevators and central air conditioning
- viii. Pumping machine upkeep ix. Pumping and electrical fitting repairs and
- ix. Repainting the common areas
- x. Upkeep of sewage treatment facilities and removal where possible
- xi. Maintenance of the power transformer, as in the case of a sizable estate, shopping center, or office building;
- xii. Maintenance of the power transformer, as in the case of a sizable estate, shopping center, or office building;
- xiii. Replacement of rechargeable fire extinguishers; upkeep of the estate roads and drainage channels;
- xiv. Maintenance of the operators' wages

Whether it is for residential or commercial properties, the following services and facilities are been paid for:

Car parks, pathways, roads, common area cleaning, common area repairs and upkeep, and windows, pest control; carpets/mats; gutters and drains; lift repairs and inspections; electricity and lighting for communal spaces; gardening and landscaping; security (internal locks and doors, intercoms, external doors and gates); and Refuse collection and recycling; safety—smoke alarms and fire extinguishers; health and safety inspections; professional expenses—such as block/building insurance, public liability insurance, and OMC legal and auditor fees.

Gogan (2008) stressed the significance of having a clear service charge collection strategy to make sure that members are informed of the procedure and the repercussions of non-payment. Adele et al (2018) place additional emphasis on this aspect. However, it addresses the main concerns, such as how service charges are determined, how interest is imposed, and when payments are due. Nevertheless, the calculations differ from development to development; some use per-square-foot calculations, some use an average for all units, and still others use percentages. Additionally, there is no established method for charging a service fee (Fakhrudin et al., 2011).

The Sinking Fund

The sinking fund is a savings account set aside for capital expenses inside the development, such as major equipment replacement, substantial structural repairs, renovations, and redecorating (e.g. a lift). It functions in a manner similar to a development's pension fund (Gogan, 2008). However, the sinking fund is a component of the service charge that is often created and collected during the lifespan of the wasting asset (RICS, 2014). A sinking fund can be capitalized in one of two ways:

The first is a financial contribution from the owners, typically in the form of the annual service charge, which may occasionally be supplemented by unit owners (OMC members) raising a sizeable one-time contribution at the time the common property capital expenditure is to be made; this is, however, frequently referred to as a "special levy" Arkcoll et al (2013). The owners' ability to pay such a charge voluntarily is never a given, even though it would seem like a simple solution.

Loan financing from the financial markets or from public entities is the second way to finance sinking fund. With this "debt financing," the OMC is borrowing money to pay for repairs or other one-time expenses. The issue with loan financing is that because it is typically impossible to separate common property from individually owned units, it does not lend itself to use as loan collateral (Arkcoll et al., 2013). Individual unit owners might be able to put up their home as collateral, but as Lujanen (2010) notes, "It is reasonable that not all owners are ready to put up their homes as collateral for loans for some sorts of major repair activity." According to research by Malone (2017), sinking funds frequently get utilized for ongoing, daily expenses rather than strategic ones, which is not what they are intended for. This rate of expenditure fluctuates between 5 and 30% of the sinking fund annually. The maintenance, structural stability, and value of individual properties, as well as future Service charge collection in multi-unit developments initiatives, are all affected by the lack of a sinking fund or its insufficient funding.

2.3 Service Charge Apportionment

A budget is created prior to the beginning of the fiscal year to provide an estimation of the cost of services and repairs. However, it is possible to do so by taking into account past expenditures, changes to the services offered, adjustments to the cost of contracts offered by service providers, and anticipated changes in VAT and inflation during the upcoming year. Additionally, the management of service charges in Nigeria at this time demonstrates that there are:

- i. Lack of Service Charge Code
- ii. Lease documents and agreement lack clear definitive mechanism for determining and administering service charge
- iii. Both professionals and non-professionals are administering service charge

- iv. Major disputes in residential and commercial properties are service charge related
- v. Most managing agents do not render accounts to occupiers on a periodic basis
- vi. Lack of accountability and transparency
- vii. Landlords and Managing Agents running service charge as a profit center

2.4 Service Charge Process

The following are the stages involved in the process of service charge:

- i. Budget
- ii. Apportionment
- iii. Periodic reporting
- iv. Statement
- v. audit

BUDGET: The budget is divided into cost schedules for the service charge costs, with the tenants and leaseholders determining the service charges and deciding on suitable methods for overseeing the estate's service delivery.

APPORTIONMENT: the budget prepared will be apportioned across tenants and charge on account in line with frequency in rent. However the chosen method of apportionment should be agreed within the provisions of the lease. The most common apportionment methods used include:

- **Floor space** - Using this method, the floor area of one house is compared to the total floor area of all the dwellings in the building before charging the leaseholder.

- **Bed space** - This technique of apportionment assesses the leaseholder by comparing the number of "bed spaces" in a certain residence to the sum of all the bed spaces in all residences within the building.
- **Equal apportionment** - Unlike the other two approaches, which guarantee equality in accordance with the proportion of housing units with the percentage, this method simply counts the number of responsible properties and divides the cost equally among them.

Periodic Reporting: it involves given periodic report on service charge payment and expenditure which can hinder conflict at the end of the service charge period.

Statements: the service charge statement shows the annual spending against the amount budgeted. Research has recommended that the annual service charge statement of service charge should include the following elements: The service charge certificate, service charge expenditure report notes to the expenditure report, service charge allocation and apportionment and operational review

Audit: the lease requires that service charge account is audited or certified by an accountant or other professional.

2.5 Multi-Tenanted Commercial Buildings

Multi-tenanted buildings are those that have multiple tenants and generate income from them, which is utilized for property management and upkeep.

Multi-unit developments are defined as frequent constructions of apartments or apartments and homes that sporadically also have a commercial component. MUDs are distinct from traditional housing in three important ways: individual ownership of a unit, shared ownership of common

property, and collective membership in a corporate body responsible for the management of the complex (Christudason, 2004).

The bulk of OMCs in Ireland, which are companies limited by guarantee without a share capital, are further governed by the 2014 Companies Act, which codifies earlier corporate legislation. MUDs, which are defined as properties having structures with at least five residential units and where amenities, facilities, and services are meant to be shared, are subject to the Multi-Unit Developments Act (MUD Act), 2011, which applies to MUDs. Section 2 of the Act broadens the Act's scope of application beyond the idea of conventional apartment developments to include residential housing developments with management company structures as well as mixed-use developments with residential and commercial units to the point that amenities, facilities, and services are shared by the commercial and residential units.

Since the Act's implementation in 2012, problems have included the lack of understanding and awareness among members as well as the lack of sanctions against developers, directors, and members that breach the Act. MUDs' ownership forms make it challenging to maintain corporate governance within them, and there is a lack of transparency when it comes to managing residential buildings (Paulsson, 2007). However, if an estate common area service fee plan is in place, the MUD Act also applied to conventional dwellings. It was principally intended at apartment schemes and the apartment component in mixed-use complexes. Due to the fact that all owners jointly own and use common amenities including halls, gardens, and parking for other units.

2.6 The process and procedure for Service charge apportionment in multi-tenanted commercial buildings

The following are identified as five (5) steps in determine service charge as follow:

1. The Fixed Service Charge – This is not the general application in this country because cost fluctuates widely and usually keeps going up. Many of the components used in property maintenance are important and, because of the naira value keeps dwindling, cost imported items keeps going up. Government action or inaction also affects the costs. Because the National Electric Power Authority cannot provide constant power supply, each property owner installs a standby generator.

In making such that the collect enough service charge to cover for price fluctuation, inflation, government interference, and still allow enough margin to cover his management fees often or fifteen per cent or whatever fee was agreed, the manager may end up asking for a sum that is too high and tenants may refuse to pay. Despite this there are first class properties and serviced apartment where services charged are fixed and the sort of tenants attracted to such properties pay comfortably. Fixed service charge is common where it covers all payments including payment for internal repairs.

2. Revisable service charge - Most managed properties are managed under revised service charge where a provisional sum is collected at the time of letting or commencement of the service charge year and a balancing payment demanded and collected at the end of the service charge year after accounts have been rendered to the tenants or occupiers.

3. Determining the amount of service charge –In most cases, especially when the property in question is new, the manager uses data on comparable properties, whether fixed or revisable, to calculate the amount of the service charge. When dealing with a property for a while, he may be

able to extrapolate the charges for the upcoming year from the accounts of the previous years while taking inflation into consideration. But he will make sure that the fee is reasonable given what is charged for properties with comparable service conditions.

Normally, the landlord should be consulted over the service charge as well because, if he enables it to be too expensive, he risked losing renters to homes with lower service fees. The tenant must also comprehend and agree to the charge's foundation and quantity in order for them to pay; otherwise, they can object.

4. The service charge Year – The manager will fix a service year which may not necessary be the necessary being the same as the lease year. This is because the units of accommodation do not always get at the same time. This issue of a service charge year is very important to the manager. If he does not choose one it would be most labor intensive and problematic for him to be able to account to each tenant individually at the end of the year when he moved in. An incoming tenant will usually pay one year's service but his payment should be treated as if it was made to cover the period needed to make his payment dovetail into the service charge year of the whole property. Any credit due to him will be forward into the next service charge year. This could, of course, be explained to him.

5. Collection of service charge – Provisional service charges should be collected along with the rent in a new letting. The provisional service charge for a managed property should be requested at least one month prior to the end of the current service year. The amount to be charged would be the old service fee or a price that the manager determined after examining the pattern of costs during the majority of the now ending service charge year. Any demand for a larger amount,

however, must be justified to the tenants. The manager can find himself in a situation where the ever-present inflation has eaten up if he delivers the demand too late.

For the reasons already mentioned, in practice over the past few years, provisional service charges have typically not lasted the entire year. As a result, the manager needs to keep a close eye on his account to know when he has used up all of the service charges. He will discover that by the eleventh month, he has amassed a sizable deficit and is prepared. There are two methods to approach this issue.

According to Olayonwa (2000), service fees are payments made by tenants in addition to rent for the services rendered by the landlord of the rented property. It is the responsibility of a property manager to determine how much in service charges will be necessary to pay the costs of the service provided by the landlord, to divide that amount among the tenants, to collect the charges, and to produce the account in accordance with that amount.

The methods of estimating service charges for a particular year are:

1. Fixed payment rendered irrational by price increases.
2. An estimate that adds money to account for inflation and is based on the cost of service from the prior year.

He opined that the apportionment methods include:-

1. Using the floor space occupied by each tenant as the basis for apportionment;
2. specifying a percentage payment for each tenant where the sum of the percentage payments for the tenants will equal 100%;
3. Using the tenant's rented unit's ratable value as the foundation;

4. Using the service in this manner is possible but impractical because it is difficult to quantify some services, such as security.

The following are also highlighted three noteworthy methods for calculating service charges, as follows;

- (a) **Payment of Lump Sum per Annum:** Each tenant in this place is required to pay a service charge equal to a specific portion of his annual rent. It is preferable when tenants live in similar-sized and -type housing, such as apartments and unit rooms.
- (b) **The service charge year:** After calculating the annual cost of keeping the services on hand operational and up to standard, the ratio of that cost to the local rent is calculated. The remainder of each tenant's annual rent is then demanded as a service charge.
- (c) **Payment Based on Space Occupied:** When employing this strategy, it's important to compare the target property's entire rentable space with the total expected annual cost of maintaining the accessible common areas.

In commercial leases, the service charge is usually based on lettable floor space of the property in which case the charge is multiplied by the area occupied by the tenant. As stated by Emoh (2004), the calculation for the actual service charge for each occupant is arrived at using the formula shown below; $S = (C \times F) \div T$

Where **S** = Service charge payable by each occupant

C = Total cost of providing the service during the service year

F = Floor area

T = Total floor area of lettable office premises let in the property

Collection

Any of the following techniques of collection are permitted:

- a) Rent-paying tenants, but only if rent is paid past due. This arrangement could lead to a lack of funds set aside to cover services throughout the year.
- b) Alternatively, tenants could pay quarterly in advance to set aside funds.

Olayonwa advised that regardless of the mode of collection used, it is the property manager's responsibility to ensure the quick collection of the service charge for the efficient operation of the services. Tenants must receive a copy of the prepared account detailing the amount of service charge collected and how the fund is used. Any question put forth by one of the tenants must be answered.

Terms associated with Service charge administration are defined as follow;

- **Administration charges** – When a manager purchases services directly, as opposed to through a contractor, they are collecting the whole cost of the service (e.g. the site management team). The management could impose an administrative fee to cover the indirect expenses (e.g. payroll, HR, etc.). Cost categories for administrative expenses are incurred and reported. To avoid mixing up the issues and provide him the ability to act quickly in the event of challenges, the manager must be familiar with these phrases
- **Maintenance:** Any planned maintenance task that aims to prolong the equipment's life and prevent unanticipated repair is included in this category. the labor required to extend a fixed asset's original expected useful life. It entails maintaining equipment and property. In order to prolong service and prevent unplanned breakdown, maintenance

includes periodic or occasional inspection, adjustment, lubrication, cleaning (other than janitorial), painting, replacement of parts, minor repairs, and other actions. However, maintenance does not increase the value of the property or equipment or extend its lifespan. Preventive, predictive, or corrective maintenance should be well-understood by a competent facility manager.

- **Repair:** This is referred to as work to put worn-out or damaged property back in working order. To distinguish it, maintenance is preventive while repairs are curative. Additionally, there are two categories of repair: minor and large. Minor repairs are related with maintenance tasks that don't take more than one or two workdays to complete and don't extend the life of the property or increase its value. Major repairs are those that take longer than two workdays to complete or are beyond the scope of the current maintenance team. Major fixes are sometimes described as ones that can extend the life of a piece of equipment or property but shouldn't raise its value. For repairs, contracts are typically needed.
- **Replacement:** The act of replacing a piece of long-term investment or plant machinery is the replacement of building-related systems or components. It involves the replacement of one permanent asset with another that can carry out the same function. The need for a replacement could result from deterioration, obsolescence, or destruction. Replacement typically involves a whole identified item as opposed to repair.

Determining the correct type of maintenance in an organization requires a clear understanding of the facility goals and objectives. It is important to note that for a facility to be properly and efficiently managed, the input of a Facility Manager is required at the design and planning stages of the project.

For us to have the clear understanding of service charge and what the outcome of such charges are, it is important to look at the Philosophy of facility management.

- **Circulation Area** All portions of a building that are primarily used to provide physical access to assignable rooms are referred to as areas. Corridors, lobbies, public stairways, elevators, escalators, loading platforms, tunnels, etc. are all examples of circulation areas.
- **Gross Area** is the total area of a building's floor surfaces, including basements, subbasements, and penthouses for mechanical and air-conditioning spaces that is contained within the exterior faces of the building's walls.
- **Common Area** is the area of a gross space that is open to all users.
- **Pro Rata Share** is the proportion of the building's rentable area that is occupied by the tenant as a percentage of the total rentable area.

2.7 The strategies put in place for the management of service charges

The volatile nature of property investment makes sound management difficult in terms of economic crisis. An efficient manager takes advantage of such situation by providing and putting the property in a tenantable condition as no tenant wants to leave in poorly managed environment.

Property continues to be a popular investment, regardless of the economy. It is a location for social, economic, and restful activities where we plan for business ventures. It is also the most expensive consumer good known to man and raises the prestige of the occupier. Property serves as a store of value, hence property managers are required to always utilize legal counsel when establishing Lease Agreements. The agreement or contract between landlords and tenants must include an inventory list, and service charge terms must be enlarged to specify what will be

serviced and how it will be charged. Property management will become the best by adhering to the essential guidelines and instruments, and it will fulfill its financial obligations.

2.8 The issues and challenges involved in services charge administration and management in commercial buildings

The issues involved in the service charge administration and management ranges from the management style, apportionment of electricity bill, payment of service charge and the service charge budget and expenditure

2.8.1 *Management style*

The mode of management approach in timi kemiki & co differs from Alagbe & partners group of company even though both are professional Estate Surveyors and Valuers.

Timi kemiki & Co in the management and administrative of service charge carries tenants and most especially the Service Charge Committee along. Proposed service charge budget were prepared, presented to the Service Charge Committee to vet and make necessary amendment and approval and before spending, the consent and approval by committee through the chairman is sort, while in the case of some decision or spending will be taken unilaterally and report is given when the expenditure had been done. They believe they do not need any approval from any committee or even the entire tenant's forum before necessary maintenance and repairs are done. They even go extra-mile to include running expenses and VAT on each service provided in the service charge account hence, they spend at their own will. These differences cut across:

- **Lack of transparency:** it was observe that new management refuses to be open in their administration style, decisions were taken without due consultation of the Service Charge Committee hence, it becomes difficult to collect service charge from occupiers because

they have not been carried along e.g. painting of the corridor without service charge without due consultation and consent

- **Lack of effective communication:** most time occupants need to be informed on the latest developments on the services they are expecting or enjoying.
- **Improper accounting system:** service charge account must be kept separately from other operation account this will enable the management to render balance account; when the actual expenditure is exceeding the budget, the manager will be able to signal caution to stakeholders. The account should not always be in deficit but in credit at times to reduce occupant's burden in next service year. Expenses are however carried out without the consent on the Service Charge Committee.

Apportionment Of electricity bill

This entails the breakdown of the total consumption and charges brought by PHCN to the entire occupants (Tenants and Landlord) of the property depending on the consumption of each tenants gotten from the readings observed and recorded at the 'Check Meter'. There are issues that emanate from carrying out this function by the property manager, they include;

- **Disparity in Check Meter as against the direct PHCN Mass Meter reading:** There have always been a great disparity between reading of the check meters connected to each billing unit (tenants) taking by the Facility Manager and readings taking by PHCN officials from the Main Mass Meter. This issue was based on the fact that there is only one check meter for each tenant upon which readings for both generator and Electricity are been taken without a modalities in place to differentiate which reading is for what hence, were made to pay exorbitantly. This is an issue of double charges.

- **Billing units without Meter:** There are billing units within the premises without meter. e.g. the security light, some common areas etc. the question then is who pay for the electricity consumed in those areas. This has led to inability of the facility manager to differentiate between consumption of electricity in common areas and lettable areas.
- **Faulty check-meter:** over the years, there have been some faulty meters that are been billed exorbitantly on what the PHCN official called 'loss of revenue'. This in turn affect the whole building as the occupiers claimed not to be using as much as billed hence, default in payment of same.
- **Demand of service charge on PHCN apportionment:** It is so unfortunate that facility managers after collecting management fee from the principal (property owner) still charge 6.5% on apportionment of PHCN bill and adds it to payment to be made by the tenants. This had caused a lot of issues and questioning about the integrity of the profession leading to default in payment of bills. Thus, this calls for an explanation of what constitute management responsibility to the Landlord as against the responsibility of the Facility manager on common services to the tenants.

Payment of service charge

- **Nonpayment as at when due:** People find it difficult to pay as at when due because of the various unsettled issues observed in its apportionment.
- **Install mental payment:** Some pay in piece meal, this may be attributed to the economic or the lackadaisical attitude of the tenants. This does affect the budgeting and planning of the services rendered.
- **Ineffective services:** when the outsourced service are not properly done it may end up inefficiency, this can also discourage tenant from paying.

- **Void period losses:** since the service is from January to December, depending on the period occupation of the tenant, when we have vacant space it becomes difficult to re-apportion void area on other tenant, as we know services are run on the same capacity as if it is totally occupied; it becomes difficult if there is no tenant to pay for the void period. This becomes a problem to the manager and owner.

Service charge budget and expenditure

The Service Charge Budget and Expenditures shows the amount budgeted in rendering of services as against what was used in actual terms. This is also part of the issues affecting service charge administration and management.

Hedley et al (2007) conducted a research on UK Occupier Satisfaction Index and the following were challenges found to be associated with service charge administration and management are 'responsiveness' and 'value for money'. From the survey, it shows that the respondents are frustrated by the slow time response from the landlords'. The agonies in tenants' 'responsiveness' are worsened by the poor standard of services provided by the landlords (Kinsley et al, 2007)

For significant improvement in the study area, the report from UK occupier satisfaction index shows the issue for value for money as major grievances for tenant in service charge administration and management to be addressed (Kinsley et al 2007). The tenants are calling for greater transparency and accountability around the service charges from the survey conducted unanimously. Additionally, it was claimed that the annual increase in the service charge beyond the rate of inflation was unsustainable and that the property business must address the problems. In a nutshell, it has been established that client loyalty and happiness are two of the main

objectives in the majority of firms. The matter is particularly relevant to the UK real estate market since, as observed by Kingsley et al (2007) in OSI 2007, landlords do suffer when tenants vacate their properties for a variety of reasons.

2.9 Effects of Service Charge Administration on Occupants with Common Parts in Commercial Buildings in The Study Area

Ibrahim (2015) in his work In his work, displayed the responses of the property managers stating the issues, which included default in rent payment, difficulty in selecting quality tenants, improper use of the property, low management fee, high management costs, poor return/rents, overcrowding, high tenant turnover, associated with low-income earners in residential developments, poor class/difficult tenants, and unnoticed evacuation / abandonment of premises. The other issues were, however, illegal activities on the property, uncooperative renters, unauthorized visitors on the property, improper garbage disposal, propensity for slum removal or demolition, unacceptable property conversion, and unauthorized guests. refusing to comply with notices, a challenge to sell, Rates and taxes are not paid on time, and you are prone to being mistreated by the government.

The final group of issues, in order of relative importance, included issues with slum development, unacceptable gadget installations, slow response to repair requests, disregard for other tenants' rights, absentee tenants, illegally transferred properties, default in service charge payments, depreciation of facilities, a filthy environment, and tenant fighting. Disease outbreaks, the fact that managing them is generally difficult, the difficulty of renting out abandoned properties, and illicit relationships between tenants/occupants were other concerns that infrequently occurred. However, it should be emphasized that every issue must be avoided as one issue may lead to another if immediate action is not taken.

Review of Literature

Mohd (2009) studied Service Charge Collection of High-Rise Residential in Kuala Lumpur, Malaysia; Owner's Perspective. In order to discuss the findings of a study on high-rise residential projects in Kuala Lumpur, this study used a fuzzy conjoint model. The purpose of the survey was to determine how satisfied high-rise residents in Kuala Lumpur were with the Management Corporation's service levels and service prices. 750 residents from 150 high-rise projects who own and occupy their own units participated in the poll. Additionally, it was confined to the citizens' dissatisfaction with the service fee fare and their need to be informed of how the service charge was distributed. They also acknowledge that payments can occasionally be late, however they reluctantly concede that they made their payments on time. Numerous complaints have been made, and customers believe they are paying too much for the services they receive.

Mohd (2011) researched on Owners' Satisfaction Towards Service Charge Collection of High-Rise Residential In Kuala Lumpur, Malaysia reported the findings of a research on high-rise residential projects in Kuala Lumpur using a fuzzy conjoint model. The goal of this study was to determine how satisfied high-rise residents in Kuala Lumpur were with the management corporation's treatment of their service fees and service quality. The management's struggles with service charge collection served as the spark for this study. 750 residents from 150 high-rise projects who own and occupy their own units participated in the poll. Additionally, it was restricted to units priced at RM250,000 (USD71,430) or less. The survey was analyzed using a fuzzy conjoint model, and the results were expressed as the quality with respect of "agree." According to the analysis, residents were dissatisfied with the service fee fare and felt that they

should be informed about how the service charge is distributed. Along with acknowledging payment delays occasionally, they also grudgingly concede that payments were made on time. Numerous complaints have been made, and customers believe they are paying too much for the services they receive.

Moh'd (2011) considers difficulties in managing high-rise residential complexes in Malaysia: the service charge aspect. this study focuses on service fees and considers both the cost to owners and the level of management services provided when examining the management issue. The management company and the property owners both contribute to the circular reasoning that this issue follows, according to the literature and field studies. The main factor appears to be finance. Owners' late payments result in a fund shortage that hinders the corporation's ability to deliver excellent services, which in turn makes residents unhappy and makes them reluctant to pay the required fees. On the management corporation side, all respondents said they had trouble collecting service fees, with 50% of residential complexes only collecting 50% of their dues. The results also demonstrated that there is no established technique for calculating the service fee rate in any high-rise housing complex.

Tawil (2011) studied Service charge issue in Malaysian high-rise residential management using a fuzzy conjoint model. The study focuses on service fees, examining both the cost to owners and the quality of management services as it relates to the management issue. Literature and field studies suggest that this argument is circular, with both the management companies and the property owners contributing. It appears that money is the main factor. Owners' untimely payments cause the corporation to run out of money, which affects its ability to offer excellent services. As a result, residents become dissatisfied and reluctant to pay the required fees. Because of this, management organizations report having trouble collecting service charges; only

50% of residential complexes are able to do so on time. This research analyzes owner satisfaction with service charge collection and sophisticated management systems in addition to the challenges encountered in raising revenue. A fuzzy conjoint model was used to analyze the survey, and the results were presented in terms of the linguistic meaning of the word "agree." According to the analysis, residents are dissatisfied with service charge fees and want to know how those fees are used. Additionally, they acknowledge a delay in the payment of their payments. The residents acknowledge that they frequently voice complaints about the quality of the service they receive and that they think their service fees are excessively costly given the caliber of the services their property management firm offers. The results also demonstrated that there is no established technique for calculating the rate of service fees in any high-rise housing complex.

Mucunguzi. (2014) assess the impact of the administration of commercial service charges on service quality at Crested Towers building, Kampala, Uganda. Three objectives were used in the research, which was done to determine why service charges were administered for commercial purposes. It also looked more closely at the difficulties and suggestions for managing commercial service charges. 40 respondents, all senior managers in their various firms, who self-administered questionnaires, provided the data for this study. Additionally, first-hand information was gathered in the field. Social scientists used the Statistical Package to examine the data, which was then displayed as frequency tables and percentages. Results of the correlation analysis showed that the timely delivery of services, a crucial factor in the evaluation of service quality, is significantly impacted by the administration of service charges ($r = 0.464$, $p < 0.1$). As a result, the service charge administration mechanisms have a significant impact on the service quality. Additionally, a strong correlation between the administration of service charges

and transparency was found ($r = 0.125$, $p = 0.1$). This suggested that occupants of the building would perceive a greater level of services obtained if service charge administration was clear. Overall, it was discovered that the administration of service charges had a favorable impact on service quality ($r = 0.205$, $p = 0.1$). This study advises administrators to give residents in the Crested Towers complex enough information about service charges in order to win their trust. In order to protect tenants at the Crested Towers building and other commercial properties from exploitation resulting from improper management of the service charge account, it further recommended the adoption of statutory best practice guidelines to govern the administration of commercial service charges and restricting the cost of service charge management only to the cost of managing shared services.

Alabi and Ebiwari, (2018) studies prospects for professional management of multi-tenanted commercial properties in Port Harcourt (phalga), Nigeria. Examining the potential for expert management of multi-tenanted commercial properties was the study's main goal. The research used a case study research design with the Port Harcourt mall and The Vineyard retail center, adopting Interpretivism as its theoretical framework. There were 93 people living there, including the management and shoppers from both malls. 93 questionnaires in total were given; 88 of them, or 94.6%, were filled out, returned, and deemed useful for analysis. According to the research's findings, The Vineyard shopping complex was managed by a facilities manager, whereas a team of managers was in charge of managing the Port Harcourt mall. The incorrect use of management methods and the non-payment of service charges and administration were the main contributors to inefficient service delivery. Professionals manage multi-tenanted commercial properties because they implement strategic plans to reduce or contain risks, assist in overcoming competitive obstacles of property management, and are highly informed and skilled

in managing buildings and facilities. The study comes to the conclusion that professionally managed multi-tenanted commercial buildings are better managed and have fewer managerial issues. The report suggests that all facilities and services in the malls should be managed, repaired, and maintained by professionals.

Aliyu *et al* (2016) researched on Management Problems Associated with Multi-Tenanted High-Rise Commercial Buildings in Kaduna Metropolis, Nigeria. In contrast to the system used in other nations, this study looked into and offered research findings on the management issues of multi-tenanted high-rise commercial buildings in the Kaduna city. A field survey was conducted, and the instrument for gathering data was a standardized questionnaire. 400 surveys were distributed to local building owners, managers, and renters. Table formats, percentage distribution tables, and narrative descriptions were used to assess the data that had been collected. Due to a lack of facility upgrades, the results showed that 74% of the buildings built more than 30 years ago were no longer fit for purpose. It also showed that 66% of high-rise building amenities, such as elevators, generators, and water supply, were not effectively maintained by managing corporations because of poor planning and insufficient funding allocated for maintenance tasks. According to the study's findings, 44% of the high-rise buildings surveyed have voids and blank spaces that are caused by aging facilities. Due to inadequate maintenance planning and some managers' failure to timely respond to requests for repairs and maintenance, it was concluded that the high-rise buildings' facilities frequently failed to function. Last but not least, one of the suggestions made is that property management policies be followed and that only qualified staff be hired to handle the many services given in multi-tenanted high-rise buildings. The buildings should be managed effectively with the help of these qualified

individuals. In order to offer services quickly, there should be strong preparation in place for analyzing and responding to a sudden breakdown of services.

Kenneth (2013) considers budgetary control and service charge management performance in real estate sector in Nigeria: An empirical study of the motivational aspect. The purpose of this investigation is to determine how the motivational component of budgetary control affects the effectiveness of service charge management in PMCs in Nigeria. The sample frame includes 380 employees from 380 large PMCs, separated into two groups: group 1 (Luxury) and group 2 (Affordable) (commercial). 95 employees, or 25% of the frame, were randomly chosen for the sample size. Data was gathered and evaluated using a structured questionnaire. The Z-test was utilized to confirm the hypothesis. Results showed that budgetary control has a considerable impact on employee motivation, which reduces service charge expenditure. However, this effect is not successfully used in the subsector, which results in ineffective service charge expenditure (SCE) management. According to the study, budgetary management should be tightened to encourage staff to pursue service cost minimization in order to save money or at the very least reach breakeven. As a result, the tenancy connection in the managed estates will be strengthened, and the financial goal of the PMC will be met.

Abolade *et al* (2013) considers An Evaluation of Users' Satisfaction with Property Management Services in Commercial Properties in Lagos, Nigeria. This study looks at tenants' (users') satisfaction with estate surveyors' management of commercial buildings in Lagos. A sample of the users of commercial properties in Lagos was taken using a straightforward random sampling method. Tenants of the business properties in Lagos were given a standardized questionnaire. 170 of the 240 questionnaires that were sent were returned, used, and evaluated. Frequency distribution, mean rank score, and relative impact index were used to examine the data. The most

significant factor influencing users' satisfaction with the administration of commercial assets was discovered personal need. Additionally, it was found that tenants of commercial properties are generally happy with how well run the buildings are. It was suggested that in order to improve the friendly relationship between users and property, practitioners and academia should pay more attention to and value performance measurement of users' satisfaction.

Rukayat (2016) studied the Assessment of Residential Building conditions and Property Management Strategies in Minna, Nigeria. The aim of the work is to assess the conditions of leasehold dwelling units and property management strategies in the study area. It sampled 328 dwelling units spread across selected neighborhoods. Questionnaire were administered and used to get relevant data for the study. Simple percentages, total weighted scores, weighted mean, contingency table, chi square distribution, and phi coefficient were used to analyze collated data at various levels of the research. Findings revealed poor conditions of 55.2% of leasehold dwelling units. A computed chi square value ($X^2 = 48.965$) indicated no statistical significant difference in the overall condition of dwelling units across the sampled neighborhoods. Findings also revealed that only 31% of dwelling units are managed by professional estate surveyors, periodic general renovations by property managers were not carried out in any of the sampled units, while 41% of respondents linked the management and maintenance of ancillary facilities in their neighborhoods to community efforts and contributions. It further shows that 51% of respondents were not satisfied with the management of their dwelling units, while 84% of residents were not satisfied with the management of ancillary facilities in their neighborhoods. A chi square value ($X^2 = 14.965$) and phi coefficient ($\phi = 0.209$) revealed a weak, but positive and statistically significant relationship between building conditions and management type in the study area. The study emphasized the significance of effective and efficient management

practices as key players in ensuring that residential buildings remain in good and decorative states or repair.

Muhammad (2020) studied Property Management and Tenants' Satisfaction in Multi-Tenanted Commercial Property in Abuja Nigeria. The study highlights service charge administration in Abuja, Nigeria's Garki Shopping Mall in order to demonstrate the relationship between property management and tenants' happiness. The biggest investment a household may make is in a multi-tenanted commercial property because it requires a significant amount of funds to purchase and a successful management system. A quantitative methodology was applied, and questionnaires were created and distributed. However, the 102 businesses that are different tenants of the Garki shopping mall make up the sample frame for this study. Eighty questionnaires, distributed throughout the study region, make up the sample size. The method of sampling employed was uncomplicated random sampling. However, the results showed that the tenants were happy with how the shopping center in the study region was run. It was also evident that some facilities had excellent satisfaction ratings. The report suggests that before renting out the building, the facility managers should adequately notify the renters about the fees and management strategy. It also suggests that there should be a designated way for tenants to file grievances.

Toyin (2015) researched on the Evaluation of Service Charge Administration and Management in elephant house Ikeja. In order to provide an efficient system for providing service charges, the purpose of this study is to assess the problems and difficulties in the administration of service charges in multi-tenanted office buildings, with special reference to Elephant Cement House in Alausa, Lagos. Using the main and secondary sources of data collecting, surveys were given out and data was gathered. The data was manually analyzed and expressed as frequency tables, mean rankings, and percentages. The research's findings indicate that the current Facility Manager or

Managing Agent lacks effective communication and consultation in the administration of Service Charge Account, that the occupiers/tenants in most cases do not have input in the decision-making and administration of service, that the property manager as part of their management style added VAT payment on all services, including payment of staff salaries, and that there is a clear lack of transparency exhibited by the managing agent. Because the surplus from the preceding years—N2,338,405 in 2010–2011, N848,820 in 2011–2012, and N3,919,161 in 2012–2013—was not properly accounted for, the situation exists. Furthermore, it suggested that there effective communication is the key to good management, improved communication between the owner and occupiers results in the smoother operation of the building and, consequently, the service charge. Service charge documents clearly disclose the basis for allocating service charge costs among tenants. The management function of allocating bills, ensuring that each tenant or occupier pays their bill when due, and maintaining service charge funds in separate bank accounts with interest accrued credited to the occupiers' benefit is covered by the management fee that the landlord or principal pays to a property.

According to the reviewed literature, service charges are not used for the purposes for which they are levied, and management is not sufficiently transparent because most tenants are unaware of how their money is spent. However, this study will look at how service fee administration and management affect a few phase one Abuja multi-tenanted commercial buildings.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Study Population

The target populations are managers and occupiers of the multi- tenanted commercial buildings in phase one Abuja. The phase one within Abuja covers Maitama, Asokoro, Central Business District, Wuse and Garki.

3.2 Sample Frame

Two of the commercial buildings within the selected area was selected and be sampled for this study. A purposive sampling technique was used which will also eliminates sampling error and provides data which was used to judge the population. A total of ten (10) commercial buildings were sampled to achieve a desirable level of precision.

The table below shows the division of phase one within Abuja and their properties selected for this study.

Table 3.2.1: Shows the division of phase one within Abuja

S/No	Phase one division	Number of selected commercial buildings
1	Maitama	2
2	Asokoro	2
3	Central business district	2
4	Wuse	2
5	Garki	2
6	Total	10

Table 3.5.1 shows the list of property selected in phase one division in Abuja that is suitable for this research. It comprises of Maitama, Asokoro, Wuse, Central business district and Garki.

3.3 Sample Size

The sample size for the research consists of 10 managers of the multi- tenanted commercial buildings and the occupiers of the building which are the tenants. A purposive sampling technique was employed for this research in administering questionnaires and this method is adopted since diverse companies was considered.

Table 3.3.1: Shows the properties selected in the various locations within phase one

S/No	Name of multi tenanted commercial buildings	Total number of offices or shops	No of offices or shops occupied
1	Murjanatu house	0	0
2	Bensima	58	54
3	Hill side	0	0
4	HUB 72(ASOKORO)	17	17
5	Basan plaza(CBD)	21	21
6	Adamawa plaza(CBD)	37	37
7	ARO plaza(WUSE)	12	12
8	Febson plaza(WUSE)	101	86
9	AGA Memorial plaza(GARKI)	30	30
10	Grey plaza(GARKI)	25	25
Total		336	282

Table 3.5.2 above shows the list of selected multi tenanted commercial buildings in the five listed locations from table 3.5.1. Under Maitama, Murjanatu house and Bensima were selected, hill side and Hub 72 for Asokoro, Basaan plaza and Adamawa plaza for Central business district, Febson mall and Aro plaza for Wuse while AGA Memorial plaza and grey plaza were selected for Garki respectively.

3.4 Method of data collection

Two (2) different questionnaires were prepared, one for the facility managers and the other for the occupants of the study area. The questionnaires' set of questions was created in accordance with the study's objectives and was given both verbally and interactively.

In order to achieve the goals of the research study, this generally refers to the statistical methods used to collect the data needed for the research from the target population. Data would therefore be gathered for this study's purposes from both secondary and primary sources.

Secondary source: These data were gathered from textbooks, journal excerpts, national dailies, articles, booklets, etc.

Primary sources: deals with gathering data that is fresh or raw and derived straight from the field about the population under consideration. Two (2) types of questionnaire were administered for the purpose of this research work. One for managers while the other one is for the tenants. Both questionnaires begins with questions on personal data of the respondents, the questionnaire administered to Estate Surveyors and Valuers are practical questions based on their professional knowledge in relation to values of service charge administration within the study area.

3.5 Method Of data analysis and data presentation

Descriptive and inferential techniques would be used to analyze the data collected from the field survey. In order to analyze the data, the relative satisfaction index was used. In addition, charts would be used to analysis variables in the study and a building condition index will be carried out. A total number of (10) questionnaires were administered. Data would be collected manually and expressed in percentages, mean ranking, and frequency table.

A total number of 10 questionnaires was administered to the managers while 282 were administered to the tenants of the multi-tenanted commercial buildings in selected locations within phase one Abuja.

Total number of shops=336

Total number occupied shops=282

Unoccupied shops=54

Managers of the multi tenanted commercial building=10

Total number of the questionnaire that was administered=282+10=292

3.5.1 Relative satisfaction index

The relative satisfaction index was used to obtain the satisfaction level of occupant with common services. RSI is obtained using likert scale where 1 is very strongly satisfied 2- satisfied 3-neutral 4-very strongly not satisfied 5- not satisfied

$$RSI = (5n + 4n + 3n + 2n + 1n) \div 5N$$

Where n1 is the number of respondents with strongly satisfied

n2 is the number of respondents with satisfied

n3 is the number of respondents with neutral

n4 is the number of respondent with very strongly not satisfied

n5 is the number of respondent with not satisfied

CHAPTER FOUR

4.1 DATA PRESENTATION AND ANALYSIS

Questionnaires were administered on the managers in charge of the selected facilities in phase one. The data received was retrieved and presented in the table below.

Table 4.1 shows the total number of questionnaire administered on the managers and theones retrieved

Location	Questionnaire administered	Questionnaire retrieved	Percentage %
Maitama	1	1	50
Asokoro	1	1	50
Central business district	2	2	100
Wuse	2	2	100
Garki	2	2	100
Total	8	8	100

Table 4.1 shows the total number of administered questionnaires to property managers as well as the ones retrieved in phase one Abuja. Eight questionnaires was retrieved which gives us a 100% response. It shows that the result from this analysis can be relied upon.

Data were retrieved from the total number of questionnaires administered on occupants of the selected multi tenanted commercial properties to get data that provided answers on the satisfaction level of occupants on common services and facilities.

Table 4.2 Shows the questionnaires administered and retrieved from occupants of the multi tenanted commercial buildings

Location	Questionnaire administered	Questionnaire retrieved	Percentage %
Maitama	54	50	92.59
Asokoro	17	17	100
Central business district	58	56	96.55
Wuse	98	90	84.90
Garki	45	41	91.11
Total	272	254	90.70

Table 4.2 shows the number of questionnaires retrieved as well as their percentages from selected individual location. From this table we have a 92.59 % responses for Maitama, 100% responses for Asokoro, central business district have approximately 97% retrieved questionnaire, Wuse with 91% of their retrieved questionnaire while Garki has 90% questionnaire of their questionnaire returned. From these responses it shows that the data from retrieved location will be enough and can be used for the analysis and is justifiable. Hence it can be used to draw conclusion and the judgment will be acceptable.

Returned questionnaires for property managers=8

Returned questionnaires for tenants=254

From this research ten questionnaires was administered for property managers while 282 was administered to the tenants occupying the selected multi-tenanted commercial buildings in phase one Abuja. Two hundred and fifty-four (254) were returned for the tenants and eight (8) for the property managers.

The table below shows the frequency and percentages for the administered questionnaire and the retrieved questionnaires within the selected location in phase one Abuja.

4.2 Facilities that constitute service charge in selected building in phase one Abuja.

The table below shows facilities that service charge are been paid for within the selected buildings in phase one Abuja. It includes lighting, water supply, security services, cleaning of common areas, Waste disposal, individual repair work, generator for alternative power supply, gardening, fumigation and maintenance work.

Table 4.2.1: Shows the facilities and services that constitute service charge within selected buildings in phase one Abuja.

Facility	Maitama		Asokoro		Central Business District		Wuse		Garki	
	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)
Lighting	1	50	1	50	1	50	1	50	1	50
Water	1	50	1	50	0	0	2	100	2	100
Waste	1	50	1	50	0	0	0	0	0	0
Security	1	50	1	50	2	100	2	100	2	100
Cleaning Of Common Areas	1	50	1	50	0	0	2	0	2	100
Waste	1	50	1	50	0	0	0	0	2	100
Individual Repair Work	0	0	0	0	1	50	0	0	0	0
Generator	1	50	0	0	0	0	1	50	0	0
Gardening	0	0	0	0	0	0	1	50	0	0
Fumigation	0	0	0	0	0	0	1	50	0	0
Alternative Power Supply	0	0	0	0	0	0	0	0	1	50
Maintenance	0	0	0	0	0	0	0	0	1	50

Table 4.2.1 above shows the facilities and services that constitute service charge within the selected multi tenanted commercial buildings and their frequencies been expressed in percentages. From the above results, it shows that 50% of the selected multi tenanted building in Maitama are been provided with light, water, waste cleaning of common areas and alternative power which has do with use of generator. It also shows that 50% multi tenanted commercial buildings in Asokoro are been provided with services of light, water, waste, security and cleaning of common areas. However, the multi tenanted commercial building in central business district are been provide with 50% of services of light, 100% services of security, this means that the central business central is secured as it is the centre of Abuja and it is also having cluster of commercial activities. Furthermore, 50% of the multi tenanted commercial buildings in CBD carry out individual repair works. Nonetheless, tenants of the multi tenanted buildings in Wuse are provided with 50% of lighting services, 100% supply of water, 100% security services, 100% services of cleaning of common areas, 50% use of generator in the absence of electricity, gardening services and fumigation respectively. Lastly , the multi tenanted commercial buildings in Garki are been provided with 50% of light, alternative power supply in the absence of electricity and maintenance work while 100% of services of waste, cleaning of common areas, security and water are provided for the tenants. From this analysis it shows that phase one are provided with adequate services. The result from this research can be used to draw conclusion for the services that are been provided for multi tenanted commercial buildings in phase one Abuja.

4.3 The process and procedure of service charge apportionment

There are various processes and procedure for service charge apportionment in multi tenanted commercial buildings and each is specific to a particular building. The process and procedures

include, the fixed service charge, revisable service charge, determining the amount service charge, the service charge year and the collection of service charge. However the procedure for apportionment methods can be based on specifying a percentage payment for each tenant, using floor area occupied by each tenants, using ratable value of the unit occupied or using mode of service for payment. The table below shows the method adopted for by each building for the apportionment of service charge.

Table 4.3.1: Shows How Service Charge is Being Charged and Apportioned Within the Selected Buildings in Phase One Abuja.

Service Charge Apportionment	Frequency	Percentage (%)
10% of rent	2	25
20% of rent	1	12.5
20 % persqm	3	37.5
Percentage of cost projection	2	25
Total	8	100

From the table 4.4.1, it shows that 37.5% charged or apportion their service charge on per sqm bases while 25 % of service apportionment is based on percentage of total cost of projection while 10% of the rent is charged by selected buildings within phase one is 25%. This research shows that most of the occupiers of the multi tenanted commercial buildings are being charged based on amount of floor area they are occupying that is per square meter basis. Each tenant is charged based on the floor area which it occupies and was further used as a basis for determining the amount to be paid as service charge.

4.4 The strategies used for service charge administration and management

There are strategies used for service charge administration and management in multi tenanted commercial buildings. The selected strategies are specific to each building. A good property

manager will put the building and service collected into good use in other to enhance the life and structure of building.

Table 4.4.1: The Strategies Used for Administration and Maintenance of Service Charge

Strategies Used	Frequency	Percentage
Repair Of Building	6	75
Payment Of Service Bill	6	75
Procurement Of Diesel	4	50
Payment Of Security Salary	6	75
Others	8	100

From the table 4.4.1 it shows that the service charge amount are used for repair of part of the building, payment of service bill, procurement of service bill, payment of security of salary and others. The result shows that 75% of the selected multi-tenanted commercial buildings within phase one use the amount to carry out maintenance work, payment of security salary and payment of service bills while others repair the building by outsourcing it to the facility manager or give out to an entirely different company to carry out the job. Also 50% of the manager's use it for procurement of diesel and 100% of the building use the service for alternatives best suitable for them.

4.5 Issues and challenges encountered with service charge administration and management

There are issues and challenges encountered with service charge administration in multi tenanted commercial buildings ranging from management style, apportionment of service charge among others. The table below shows the challenges encountered which are lack of transparency, lack of efficiency, improper accounting, poor facilities among others with various percentages.

Table 4.5.1: Issues and Challenges Encountered By Tenants of the Multi Tenanted Commercial Building

Location	Issues Or Challenges Encountered									
	Lack Of Transparency		Lack of Efficiency		Improper Accounting		Poor Facilities		Other	
	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)	Freq	Percent (%)
Maitama	8	16	20	40	12	24	15	30	0	0
Asokoro			5	29.4	9	52.9	8	47.5	0	0
Central Business District	0	0	56	100	0	0	56	100	0	0
Wuse	50	100	50	55.5	0	0	53	58.8	0	0
Garki	41	100	33	80.4	0	0	35	85.3	0	0

Table 4.5.1 shows the issues encountered by tenants occupying the selected multi tenanted commercial buildings in phase one Abuja. The issue ranges from lack of transparency, lack of efficiency, improper accounting, and poor facilities among others. From the analysis of the table 4.6.1, 16% of commercial properties in Maitama are faced with the problem of lack of transparency with the managing firm. The managing firms are not using the money for what is meant for. It means the money collected has been diverted for other purposes. However, 40% of them experience the problem of lack of efficiency with service delivery while 24% are been faced with the problem of improper accounting. The funds been charged for are not properly accounted for. Furthermore, 30% of the facilities provided within Maitama are poor, it implies that those facilities need to be repaired or are not in good condition. 2 9.4% of occupants in Asokoro are faced with problem of lack of efficiency, 52.9% with improper accounting related issues while 47.5% are faced with poor facilities. Nonetheless, central business district is faced with 100% issue of lack of efficiency in service delivery and poor facilities. Garki has 100% issue of lack of transparency, 80.4% of lack of efficiency and 85.3% of the facilities are poor respectively.

4.6 Occupants level of satisfaction with service charge administration in selected multi tenanted commercial buildings in phase one Abuja

In order to ascertain the occupant level of satisfaction with the common services they share, we obtained the frequency from each location from the administered questionnaire. The retrieved data was used to calculate the aggregate weighted frequency which will further be used to obtain the relative satisfaction index. The RSI will show the level of satisfaction of occupants with the various services provided and it will further be used to assess how effective service charge is on the management and administration of multi tenanted of commercial buildings.

4.6.1 Maitama

The frequency will be obtained individually from all selected location in order to arrive at the RSI. Five locations were considered and the frequencies to the responses are presented in the tables 4.6.1, 4.6.2, 4.6.3, 4.6.4 and 4.6.5 respectively.

Table 4.6.1: Shows the frequency and responses gotten from Maitama for the satisfaction level of tenants

Services	Very Satisfied 5	Satisfied 4	indifferent 3	Not Satisfied 2	Poor 1
Plumbing	12	20	18	0	0
Water	0	50	0	0	0
Electrical Maintenance	0	0	50	0	0
Solid Waste	0	0	50	0	0
Refuse Disposal	0	0	50	0	0
Cleaning Of Common Areas	0	50	0	0	0
Gardening	0	0	0	0	0
Security	50	0	0	0	0
Generator Maintenance	0	0	0	0	0
Transformer Maintenance	0	0	0	0	0
Diesel Consumption	0	0	0	0	0
Borehole Maintenance	0	0	0	0	0
Cleaning Of Glasses	50	0	0	0	0
Fumigation	0	50	0	0	0

Table 4.6.1 shows the individual frequency responses from Maitama for the various facilities provided within the selected building. The frequency is between one –five and it has very satisfied, satisfied, neutral, not satisfied and poor. It however shows the responses gotten under each frequency and the ones without responses are having zero recorded under it. Plumbing has 12 occupants recorded under 5, 20 occupants for 4, 18 for 3 and 0 for 2 and 1 respectively. Water supply has all the 50 occupants who are satisfied with services provided, with electrical, solid

waste and refuse disposal having indifferent responses while cleaning of common areas, cleaning of glasses and fumigation are satisfied, very satisfied are having 50 respectively.

4.6.2 Asokoro

Table 4.6.2: Showing the frequency and responses gotten from Asokoro for the satisfaction level of tenants

Services	Very Satisfied 5	Satisfied 4	indifferent 3	Not Satisfied 2	Poor 1
Plumbing	4	10	3	0	0
Water	0	17	0	0	0
Electrical Maintenance	0	17	0	0	0
Solid Waste	0	17	0	0	0
Refuse Disposal	0	17	0	0	0
Cleaning Of Common Areas	0	8	9	0	0
Gardening	0	17	0	0	0
Security	0	12	5	0	0
Generator Maintenance	0	0	0	0	0
Transformer Maint.	0	0	0	0	0
Diesel Consumption	0	17	0	0	0
Borehole Mach.	0	0	0	0	0
Cleaning Of Glasses	0	0	17	0	0
Fumigation	0	17	0	0	0

Table 4.6.2 shows the individual frequency responses from Asokoro for the various facilities provided within the selected building. The frequency is between one –five and it has very satisfied, satisfied, neutral, not satisfied and poor. It however shows the responses gotten under each frequency and the ones without responses are having zero recorded under it. Plumbing has 4 occupants who are very satisfied, 10 satisfied, 3 who are indifferent about their satisfaction for the services provided while 2 and were not chosen at all. Water, electrical services, solid waste, refuse disposal are having all the occupants been satisfied with them. Other services also have their frequency recorded and attached to them. From this table we were able to calculate our waited weighted frequency as it will be shown in the next table.

4.6.3 Central business district

Table 4.6.3: Showing the frequency and responses gotten from Central business district for the satisfaction level of tenants

Services	Very Satisfied 5	Satisfied 4	Neutral 3	Not Satisfied 2	Poor 1
Plumbing	3	38	5	10	0
Water	4	25	20	9	0
Electrical Maintenance	0	30	28	0	0
Solid Waste	0	0	58	0	0
Refuse Disposal	0	37	21	0	0
Cleaning Of Common Areas	0	58	0	0	0
Gardening	0	37	21	0	0
Security	0	46	12	0	0
Generator Maint.	0	31	27	0	0
Transformer Maint.	0	0	0	0	0
Diesel Consumption	0	0	21	0	0
Borehole Mach.	0	0	0	0	0
Cleaning Of Glasses	0	39	19	0	0
Fumigation	0	37	21	0	0

Table 4.6.3 shows the frequency for the selected multi tenanted commercial buildings in central business district. Under this location two buildings were selected and the frequencies were added together for each chosen number. The responses gotten are represented under the table above. Plumbing has 3 responses for very satisfied, 38 responses for satisfied, 5 responses for neutral, 10 responses for not satisfied while 0 response poor. The same method was used to record the responses for other services which was further used to calculate the cumulative weighted frequency for location as a whole.

4.6.4 Wuse

Table 4.6.4: Showing the frequency and responses gotten from wuse for the satisfaction level of tenants

Services	Very Satisfied 5	Satisfied 4	Neutral 3	Not Satisfied 2	Poor 1
Plumbing	24	46	25	0	0
Water	7	18	17	8	0
Electrical Maintenance	0	0	65	15	0
Solid Waste	0	0	0	0	0
Refuse Disposal	0	0	82	8	0
Cleaning Of Common Areas	0	0	80	0	0
Gardening	0	25	65	0	0
Security	0	10	0	0	0
Generator Maint.	0	0	0	0	0
Transformer Maint.	0	0	0	0	0
Diesel Consumption	0	0	80	0	0
Borehole Mach.	0	10	0	0	0
Cleaning Of Glasses	0	0	0	0	0
Fumigation	0	0	82	3	0

Table 4.6.4 shows the frequency for the selected multi tenanted commercial buildings in central business district. Under this location two buildings were selected and the frequencies were added together for each chosen number. The responses gotten are represented under the table above. Plumbing has 24 responses for very satisfied, 46 responses for satisfied, 25 responses for neutral, 0 response for not satisfied while 0 response poor. The same method was used to record the responses for other services which was further used to calculate the cumulative weighted frequency for location as a whole.

4.6.5 Garki

Table 4.6.5: Showing the frequency and responses gotten from Garki for the satisfaction level of tenants

Services	Very Satisfied	Satisfied	Neutral	Not Satisfied	Poor
	5	4	3	2	1
Plumbing	0	18	19	4	0
Water	0	0	0	0	0
Electrical Maintenance	0	17	24	0	0
Solid Waste	0	0	0	0	0
Refuse Disposal	4	10	24	3	0
Cleaning Of Common Areas	0	17	14	8	2
Gardening	0	0	41	0	0
Security	0	20	15	0	0
Generator Maint.	0	0	0	0	0
Transformer Maint.	0	0	0	0	0
Diesel Consumption	0	0	39	2	0
Borehole Mach.	0	0	0	0	0
Cleaning Of Glasses	0	0	15	26	0
Fumigation	0	0	39	2	0

Table 4.6.5 shows the frequency for the selected multi tenanted commercial buildings in central business district. Under this location two buildings were selected and the frequencies were added together for each chosen number. The responses gotten are represented under the table above. Plumbing has 0 response for very satisfied, 18 responses for satisfied, 19 responses for neutral, 4 responses for not satisfied while 0 response poor. The same method was used to record the responses for other services which were further used to calculate the cumulative weighted frequency for the location as a whole.

4.6.6 Aggregate frequency

The aggregate frequency has to do with the computation of all the frequencies obtained from the five locations which phase one is made up of. This table will give us the true state of the facilities and services in phase one and the satisfaction responses of the respective tenants which will be used to compute the weighted frequency and the relative satisfaction index.

Table 4.6.6 Shows the Cumulative Frequency For Selected Multi Tenanted Commercial Buildings in Phase One Abuja

Services	Very Satisfied 5	Satisfied 4	Neutral 3	Not Satisfied 2	Poor 1	Sum
Plumbing	43	132	70	14	0	434
Water	61	60	37	17	0	175
Electrical Maintenance	0	64	167	15	0	246
Solid Waste	0	17	108	0	0	125
Refuse Disposal	4	64	177	11	0	256
Cleaning Of Common Areas	50	83	104	8	2	247
Gardening	0	79	127	0	0	206
Security	50	88	32	0	0	170
Generator Maint.	0	31	27	0	0	58
Transformer Maint.	0	0	0	0	0	0
Diesel Consumption	0	17	150	2	0	169
Borehole Mach.	0	10	0	0	0	10
Cleaning Of Glasses	0	39	51	26	0	116
Fumigation	0	54	142	3	0	199

Table 4.6.6 shows the sum of the cumulative frequency gotten from the selected multi tenanted commercial building in phase one Abuja. The individual frequency were summed up together for each response and later recorded on the responses. This table now shows the frequency recorded for each facilities and services in phase one. From this table one can deduce the state and conditions of the facilities in phase one. It shows that 43 responses were retrieved for very satisfied in plumbing services, 132 were satisfied with plumbing services, 70 are neutral , 14 are

not satisfied while 0 response as recorded under poor. This same method was applied in recording the satisfaction level for other services and facilities within phase one Abuja. The responses retrieved are in the table above.

4.6.7 Aggregate weighted frequency

Aggregate weighted frequency was obtained from table 4.9.5 above after application of the weight of the likert scale of (1-5)

Table 4.6.7 Shows the Cumulative Weighted Frequency for Selected Multi Tenanted Commercial Buildings in Phase One Abuja

Services	Very Satisfied 5	Satisfied 4	Neutral 3	Not Satisfied 2	Poor 1	Sum
Plumbing	215	528	210	28	0	981
Water	305	240	111	34	0	690
Electrical Maintenance	0	256	501	30	0	787
Solid Waste	0	68	324	0	0	392
Refuse Disposal	20	256	531	22	0	829
Cleaning Of Common Areas	250	332	312	16	2	912
Gardening	0	316	381	0	0	697
Security	250	352	96	0	0	698
Generator Maint.	0	124	81	0	0	205
Transformer Maint.	0	0	0	0	0	0
Diesel Consumption	0	68	450	4	0	522
Borehole Mach.	0	40	0	0	0	40
Cleaning Of Glasses	0	156	153	52	0	361
Fumigation	0	216	426	6	0	648

Table 4.6.7 shows the cumulative weighted frequency for phase one in Abuja. The cumulative weighted frequency for each of the services within the location and number of the responses retrieved. The total Responses retrieved are recorded under the table. Plumbing has 215 level of very satisfied, 528 for satisfied, 210 for neutral, 28 are not satisfied, and 0 responses for poor. Under very satisfied the highest cumulative frequency is 305 for water, while the highest

frequency under satisfied is 528 which falls under plumbing, while the highest response for neutral is 531, the highest response for not satisfied is 52 which is from cleaning of glasses and there was no response for poor.

4.7.8 *Relative satisfaction index*

Relative satisfaction index is the analytical tool that was used to calculate the satisfaction level of the occupants within the selected locations. The services are listed below and the satisfaction level and the respective ranks are attached. This analytical tool was used to check the satisfaction of occupants with services they have in common in the selected multi tenanted commercial building within phase one, Abuja.

Table 4.7.8 shows the relative satisfaction index for selected buildings in phase one Abuja

Services	Sum of Frequency	Weighted Sum	Mean	Highest Freq*Total(5*252)	RSI	Rank
Plumbing	434	981	2.26	1270	0.772	1
Water	175	690	3.94	1270	0.543	6
Electrical Maintenance	246	787	3.2	1270	0.619	4
Solid Waste	125	392	3.12	1270	0.309	9
Refuse Disposal	256	829	3.24	1270	0.653	3
Cleaning Of Common Areas	247	912	3.7	1270	0.7181	2
Gardening	206	697	3.38	1270	0.55	5
Security	170	698	4.1	1270	0.55	5
Generator Maint.	58	205	3.53	1270	0.161	11
Transformer Maint.	0	0	0	1270	0	13
Diesel Consumption	169	522	3.08	1270	0.411	8
Borehole Mach.	10	40	4	1270	0.031	12
Cleaning Of Glasses	116	361	3.11	1270	0.284	10
Fumigation	199	648	3.26	1270	0.51	7

Table 4.7.8 shows the relative satisfaction index for phase one Abuja. The table has column for sum of frequency, weighted sum, mean, highest frequency, the relative satisfaction index and the ranking of services in order of their importance and satisfaction. Plumbing has relative satisfaction index of 0.7772 and ranked first among the services and facilities provided in phase one. Cleaning of common services ranked 2nd with relative satisfaction index of 0.718. However refuse disposal has a relative satisfaction index of 0.653 and ranks 3rd. Furthermore, transformer maintenance has relative satisfaction index of 0 and it ranks 13th while borehole machine and generator maintenance ranks 12th and 11th with RSI of 0.031 and 0.161 respectively. The same method was used in computing the RSI for other services and facilities and services which are shown above.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Summary of findings

From this research, and the field survey carried out which involves questionnaires and direct observation and study of all books of records stating the cause and analyzing the issues in the administration of service charge in a multi-tenanted commercial building, the following are the summary of all my findings.

1. This research revealed the facilities that constitute service charge in multi tenanted commercial buildings within phase one Abuja which are majorly the same except for central business district which have tighter security and very steady access to water supply.
2. It also shows that some of the selected area within phase one carry out their maintenance and repair work. This means the repair work is been outsourced to other companies or sometimes it is given out to the facility management firm but it is not part of their service charge budget.
3. The multi tenanted commercial buildings within the selected area adopts the method that best suit their firm for service charge apportionment with no particular basis.
4. Facility Manager's or Managing Agent lack effective communication and consultation in the administration of Service Charge Account.
5. Furthermore, the research reveals that plumbing services has the highest relative satisfaction and ranks first while generator maintenance ranks last with least relative satisfaction index. It means plumbing services are in good state in all the selected areas.

6. There is clear lack of transparency exhibited by the managing Agent which is creating service issues and as well is affecting efficient service delivery.

5.2 Conclusion

From the findings of the research, it shows that proper accounting procedure was not followed in handling and administration of Service Charge by the manager of the multi selected commercial buildings. This means that proper service charge or accounting method should be adopted. However, occupiers/tenants should be included in the process of decision making since the services are provided for them compare to most cases where they do not have input in the decision making and administration of service regarding the buildings they are occupying. In order to get the best in terms of service charge apportionment the following recommendations should be adopted.

5.3 Recommendations

A number of guidelines should be taken in order to address the problems identified in this research and this justifies the recommendation aspect of the work. The recommendations include;

1. Better communication between the building's owner and occupants makes the building run more smoothly, which in turn lowers the service charge. The secret to good management is effective communication. It must be kept in mind that the property owner or facility manager is using the occupier's funds, and that party has a right to know whether or not those funds are being used in accordance with the lease's conditions.

2. The budget and reconciled account should have the explanations of the cost incurred at each time with contact details of the committee involved in the agreement as well the managing agent and credit controller responsible for development. This means, it will have all the detail summary of the on-site staff and the roles and responsibilities allocated to each with clear explanation.
3. The basis for service charge apportionment between tenants should be clearly stated in the service charge document.
4. Management fee paid by the Landlord/principal to a property covers the management function of apportionment of bills and making sure that each Tenant/Occupier pays their bill as at when due. Hence, this should not be charge on tenants as it is quite different from administration fee charged on Service charge.
5. Service Charge monies should be kept in a separate bank accounts to avoid being tampered with and that interest generated should be put into the use to benefit the occupiers.
6. There should be a clear difference between the readings for PHCN supplied electricity and the alternatively generated power supply hence.

5.4 Contribution to knowledge

This thesis in area of service charge administration and management contributes to knowledge by establishing that 37.5% of property managers apportioned service charge on per meter square bases, 25% based on it on percentage of total cost of projection while others base it on on 10% of rent paid. By implication, tenants are not involved in the decision making process.

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APPENDIX A





**APPENDIX B
WEIGHTED FREQUENCY**

MAITAMA

Services	Very Satisfied 5	Satisfied 4	indifferent 3	Not Satisfied 2	Poor 1
Plumbing	60	80	54	0	0
Water	0	200	0	0	0
Electrical Maintenance	0	0	150	0	0
Solid Waste	0	0	150	0	0
Refuse Disposal	0	0	150	0	0
Cleaning Of Common Areas	0	200	0	0	0
Gardening	0	0	0	0	0
Security	250	0	0	0	0
Generator Maintenance	0	0	0	0	0
Transformer Maintenance	0	0	0	0	0
Diesel Consumption	0	0	0	0	0
Borehole Maintenance	0	0	0	0	0
Cleaning Of Glasses	250	0	0	0	0
Fumigation	0	200	0	0	0

Source: Data analysis (2021)

ASOKORO

Services	Very Satisfied 5	Satisfied 4	indifferent 3	Not Satisfied 2	Poor 1
Plumbing	20	40	9	0	0
Water	0	68	0	0	0
Electrical Maintenance	0	68	0	0	0
Solid Waste	0	68	0	0	0
Refuse Disposal	0	68	0	0	0
Cleaning Of Common Areas	0	32	27	0	0
Gardening	0	68	0	0	0
Security	0	48	15	0	0
Generator Maint.	0	0	0	0	0
Transformer Maint.	0	0	0	0	0
Diesel Consumption	0	68	0	0	0
Borehole Mach.	0	0	0	0	0
Cleaning Of Glasses	0	0	51	0	0
Fumigation	0	68	0	0	0

Source: Data analysis (2021)

CENTRAL BUSSINESS DISTRICT

Showing the weighted frequency of responses gotten from central business district for the satisfaction level of tenants

Services	Very Satisfied	Satisfied	Neutral	Not Satisfied	Poor
	5	4	3	2	1
Plumbing	15	152	15	20	0
Water	20	100	60	18	0
Electrical Maintenance	0	120	84	0	0
Solid Waste	0	0	174	0	0
Refuse Disposal	0	148	63	0	0
Cleaning Of Common Areas	0	232	0	0	0
Gardening	0	148	63	0	0
Security	0	184	36	0	0
Generator Maint.	0	124	81	0	0
Transformer Maint.	0	0	0	0	0
Diesel Consumption	0	0	21	0	0
Borehole Mach.	0	0	0	0	0
Cleaning Of Glasses	0	156	57	0	0
Fumigation	0	148	63	0	0

Source: Data analysis (2021)

WUSE

Showing the weighted frequency of responses gotten from Wuse for the satisfaction level of tenants

Services	Very Satisfied 5	Satisfied 4	Neutral 3	Not Satisfied 2	Poor 1
Plumbing	120	184	75	0	0
Water	35	72	51	16	0
Electrical Maintenance	0	0	195	30	0
Solid Waste	0	0	0	0	0
Refuse Disposal	0	0	246	16	0
Cleaning Of Common Areas	0	0	240	0	0
Gardening	0	100	195	0	0
Security	0	40	0	0	0
Generator Maint.	0	0	0	0	0
Transformer Maint.	0	0	0	0	0
Diesel Consumption	0	0	240	0	0
Borehole Mach.	0	40	0	0	0
Cleaning Of Glasses	0	0	0	0	0
Fumigation	0	0	246	6	0

Source: Data analysis (2021)

GARKI

Table 4.6.9: Showing the weighted frequency of responses gotten from Garki for the satisfaction level of tenants

Services	Very Satisfied 5	Satisfied 4	Neutral 3	Not Satisfied 2	Poor 1
Plumbing	0	72	57	8	0
Water	0	0	0	0	0
Electrical Maintenance	0	68	72	0	0
Solid Waste	0	0	0	0	0
Refuse Disposal	20	40	72	6	0
Cleaning Of Common Areas	0	68	42	16	4
Gardening	0	0	123	0	0
Security	0	80	45	0	0
Generator Maint.	0	0	0	0	0
Transformer Maint.	0	0	0	0	0
Diesel Consumption	0	0	117	4	0

Borehole Mach.	0	0	0	0	0
Cleaning Of Glasses	0	0	45	52	0
Fumigation	0	0	117	4	0

Source: Data analysis (2021)

APPENDIX C

FEDERAL UNIVERSITY OF TECHNOLOGY MINNA

SCHOOL OF ENVIRONMENTAL TECHNOLOGY

DEPARTEMENT OF ESTATE MANAGEMENT AND VALUATION

AN ASSESSEMENT OF SERVICE CHARGE ADMINISTRATION AND MANAGEMENT
SELECTED MULTI-TENANATED COMMERCIAL BUILDINGS IN PHASE ONE, ABUJA.

Questionnaire

MANAGER’S QUESTIONNAIRE

1. Name of the facility manager or firm.....
2. Do you charge for the payment of service charge.....
3. What are the services you charge for within the commercial building.....
4. What are the processes you follow for service charge estimation.....
5. How do you apportion service charge among the occupants for the maintenance of multi tenanted commercial buildings
6. What are the strategies used for the administration and management of service charge in the study area for the service delivery.....
7. What are the issues encountered with the occupants in the administration of service charge for the management of multi tenanted commercial building.....
8. What is the attitude of tenants towards service charge payment.....

OCCUPANTS/TENANTS QUESTIONNAIRE

9. How long have you been an occupants in the multi tenanted commercial building(a)0-5years(b)6-10years(c)11-15years(d)16-20years(e)21years and above
10. Is the estimated or budgeted amount for service charge enough for the expenditures of the management and maintenance of the multi tenanted commercial property(a)yes(b)no
11. What are the issues encountered with the managers during maintenance of multi tenanted commercial property of in the service charge administration and management

Tick as appropriate

Issues/challenges						
Lack of transparency						
Lack of effective communication						
Improper accounting						
Poor facilities/ services(specify)						

12. How satisfied are the you with the services with common path provided by the management during administration of service charge within the premises

Facilities						analysis	
	Very satisfied	satisfied	Neutral	Not satisfied	poor	Percentage	remark
Plumbing							
Water							
Electrical maintenance							
Electrical maintenance							
Solid waste disposal							
Refuse disposal							
General cleaning of common area							
Gardening							
Security							

Generator maintenance							
Transformer maintenance							
Diesel consumption							
Borehole machine							
Cleaning of glasses							
Fumigation							

13. How satisfied are the tenants regarding the services provided.....
14. Do the amount paid or budgeted for service charge meet the required expenditure
 - a. Yes
 - b. No