



COVID-19 PANDEMIC: CHALLENGES AND EMERGING PROPERTY MANAGEMENT STRATEGIES IN JOS, PLATEAU STATE NIGERIA

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ABSTRACT

The study aimed at investigating the challenges associated with property management during the Covid 19 period and the strategies adopted to guarantee adequate returns from real properties. A survey approach was adopted and data were retrieved from estate surveying and valuation firms. Findings revealed the major challenges of property management during the covid-19 period to include failure to remit rent as at when due, difficulties in carrying out routine property inspection and longer period of void in properties. The study recommends the adoption of digital strategies for property management such as

Introduction

The wild-spread of the novel Coronavirus has forced the global community to seriously reconsider how people live, work and travel in contemporary societies. The COVID-19 has largely proved to be an urban catastrophe of gigantic magnitude which did not limit itself only to the health sector but rather cut across all professions and sectors of the economy. According to Ankeli, Nuhu, Saheed, Akinremi and Tinufa (2021) The worst-hit sector in Nigeria is the real estate sector, though the pandemic's effect in the real property sector was not immediate as the sector is highly fragmented; hence stakeholders in the sector usually feel the negative impact of the pandemic differently.

Managing of a property is not an easy task even in normal times much less of during the period of global pandemic. While the property manager will be expected to collect rent from the tenants as at when due as a result of pressure from the Landlord, the tenants might plead for more time to sort out other financial obligation. The outbreak of COVID-19, the work of the property manager is expected to become more tasking though may vary from country to country and from region to region as a result of anticipated job losses, drop in income of businesses and informal workers etc. which may in turn affect the ability of some tenants to pay due rent and add to the property managers task of effective rent collection. (Akalemeaku, Nwafor, & Nnamani, 2021) Daniel (2021) opined that Property managers are responsible for a near-endless task list, from making sure that their rental apartments are in a tenantable condition, timely collection of rent, avoiding void in the property, utilities and maintenance of



the property itself. In a pandemic, providing a haven for tenants becomes critical not only for tenant health, but also for the well-being of the community at large, especially in places with dense populations.

This study therefore, examines the challenges associated with property management during the Covid 19 period and the strategies adopted to guarantee safety, maximum return from the property and ensure that the property is in a tenable condition despite the pandemic.

LITERATURE REVIEW

The economy activities in Nigeria began shrinking in the middle of March 2020 and by mid April 2020 majority of the states in the country including the Federal Capital territory Abuja were on either on partial or total lock down. While government and some private organization were working from home, the property manager was faced with a lot of challenges as most of his activities involves physical contact, from advertising/marketing of the property, enquiries about property, inspection of property by prospective tenant, issuance of offer letter and acceptance of same, signing of tenancy agreement and to handing over of the keys to the apartment which finalizes the process of commencement of tenancy, all this had to change.

The 'new normal' created by the lockdown had to resulted in a shift whereby things which ordinarily require people coming together in a building space (property) have been shifted to virtual spaces using ICT. The application of ICT tools has supported the 'new normal' which has made possible virtual meetings of different shades – business, learning, religious, research etc. (Ifediora,2022)

Yau, Ho, & Li (2017) in their research on the value of property management services in Hong Kong after the Severe acute respiratory syndrome (SARS) epidemic, the study showed that property management does add value to properties despite the challenges posed by the epidemic, the research further reveal that assessing the value of property management services is challenging because of co linearity between property quality and the quality of property management companies.

Tanrivermiş (2020) in his study, examine the possible effects and impacts of the COVID-19 outbreak on real estate development and management processes in Turkey by making an evaluation and an insight on administrative and media records. He described the effects of pandemics as an unforeseen event which have negatively affect project development in the real estate sector, sales operations of existing real estate, costs estimates, values and rates of return of existing real estate sector in general. He opined that the inception of new policy and precaution measures, especially travel bans will cause revenue to decrease, the narrowing of the volume of transactions in real estate such as retail facilities, office and residence transactions, increased vacancy rate in hotels, the additional measures taken due to the pandemic causes the significant increase in operating costs for property managers, decrease of rent collection creates losses due to declining in demand, net operating income and investment value also tends to decline. He further emphasized that Change in business orientations, working and living conditions necessitates a review of planning, project development, marketing strategies, use and management processes of settlements.

Ankeli *et al* (2021) evaluate the contents of tenancy agreement entered into between lessors and lessees in Osogbo, Owode-Ede and Ede Metropolis in Osun State (Nigeria) from 2011 to 2020 in order to determine its adequacy in the face of the Post-COVID-19 pandemic in Nigeria. Findings of the study revealed steady dwindling of rental market transactions with deteriorating landlord/tenant relationship caused by disagreement on tenancy agreement



related issues leading to default in rent payment, rent review period and renewal. Findings also indicated a low ebb experience in the rental market due to the economic downturn resulting from, among other factors, the lockdown policy, which impoverished Nigerians to the extent of struggling to make ends meet. Thereby constituting a major challenge to the property manager who amongst other things has the responsibility of ensuring strict adherence to tenancy agreement and prompt payment of rent.

In a study carried out by Akalemeaku *et al* (2021) on property management in a pandemic era: strategies for emerging markets, it was revealed that the usual method of collecting rents and carrying out routine management inspections by property managers in Nigeria will no longer be obtainable as social distancing methods are now adopted. This in turn will result to more expenses for the property manager and property owner who are already grasping under the pains of delay and nonpayment of rents by tenants. The study proposes that rather than allowing properties to remain void during the COVID-19 periods thereby leading to loss of income to the property owners, moratoriums should be offered to tenants and tenants should be encouraged to pay partial payments

CHANGES IN PROPERTY MANAGEMENT STRATEGIES DURING THE PANDEMIC ERA

The corona virus Pandemic appeared to be a health challenge brought about an unexpected halt in all sector of the economy in which the real estate sectors was not exempted, this ushered in the 'new normal' which brought about a drastic change in the way property management will be carried out.

The analogue method that involves face to face meetings, physical inspection with prospective tenants, walk in enquires, schedule routine inspections etc had to change as the pandemic forced a lot of businesses to operate in newer ways there by resulting in a shift from the tradition metods to a more modern management strategies (ICT) using virtual means to perform property management functions and even to conclude real estate transactions virtually, this is aided by the use of certain applications such as ZOOM, Facebook, twitter, instagram among others. Online payment system helped in reducing physical contact for payment of rent as rent could be paid online and receipt of payment will automatically be generated. According to Olanrele & Thontteh (2020) online payment system have supported non face to face activities in businesses and service industry, online seminars, mandatory development training and annual general meetings have also become virtual.

Lock down and social distance which became the new method of operation made a lot of people to start working from home thereby reducing the demand for office space and other commercial uses thereby increasing void in properties resulting in income loss to both Landlord and the property manager. Pay cut, job loss and hyperinflation resulted in serious rent default and the property manager has no choice than to resort to rent collection in installments instead of the normal single advance payment as the case is here in Nigeria unlike china, Malaysia among others in which rent is paid monthly.

METHODOLOGY

The study relied on primary source of data to get firsthand information on the challenges encountered by property managers during the Covid-19 pandemic in Jos the Plateau state capital. The main study data were obtained through questionnaire from Twenty Estate surveying and valuation firms that are expose and have experience in different types of property management and estate agency owing to the objective of the study which required



a basic survey approach. A purposive sampling technique is suitable for this study. The entire population is adopted as the sample size since the population is small. Twenty questionnaires were administered out of which Eighteen were retrieved. The data collected were analyzed using descriptive statistics, charts and Tables.

DATA ANALYSIS, PRESENTATION AND DISCUSSION

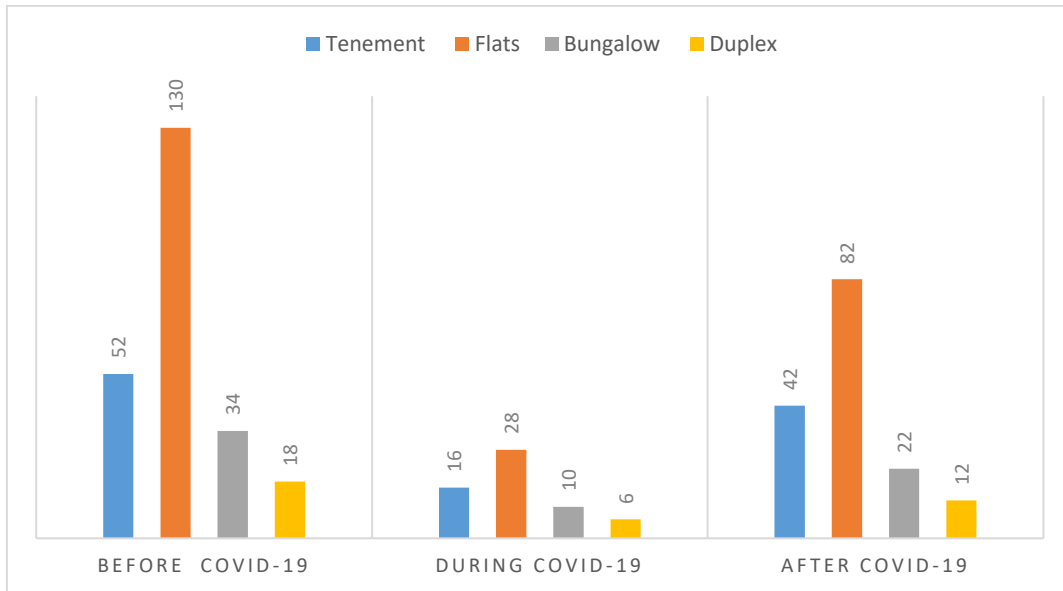


Figure 1: Level of demand for residential property Before, during and after COVID-19

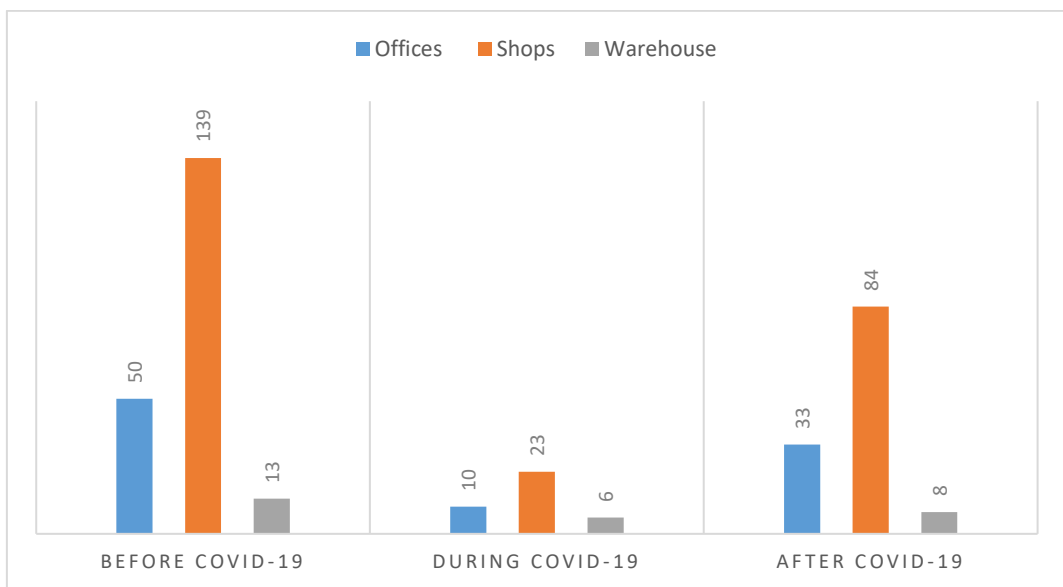


Figure 2: Level of demand for Commercial Property Before, during and after COVID-19

Figure 1 and 2 presents the level of demand of residential and commercial property before, during and after COVID-19 in Jos metropolis, Plateau State. From the charts it was observed that there is a massive decrease in level of demand for both residential and commercial property during COVID-19.



Table 1: Mean Ranking of Challenges to property management during the pandemic

Statement	Mean	Std. Dev	Rank
Failure to pay rent as at when due	5.00	.000	1 st
Difficulties carrying out routine/schedule management inspection	4.712	.481	2 nd
Increase in the cost of property management due to hyperinflation	4.71	.488	3 rd
Inability to conclude transaction due to quarantine, partial or total lock down	4.29	.756	4 th
Difficulties shifting to the use of ICT in managing property	4.29	.488	5 th
Longer period of void in vacant property	4.29	1.113	6 th
Renegotiation of terms tenancy agreement	3.86	.690	7 th

Source: Field survey, 2022

Table 1 present the results of respondents' opinion on challenges of property management during the COVID-19 pandemic. Mean ranking was used. Failure to pay rent as at when due was the major challenge and was rank first; difficulties carrying out routine/schedule management inspection was rank as the second challenge and Increase in the cost of property management due to hyperinflation was rank third.

Table 2: Mean ranking of possible solution o the above challenges

Statement	Mean	Std. Dev.	Rank
Install mental rent payment/short term commitment to achieve adequate occupancy	4.57	.535	1 st
Flexible Lease agreement to create room for review in changing circumstances	4.14	.690	2 nd
Adoption of digital strategies for property management	4.00	.577	3 rd
Interest free loans from government or financial institutions to tenants whose salary was cut or lost their jobs	3.57	.976	4 th
Rent leave and or rent moratorium to avoid default and void.	3.57	1.512	5 th
Tax holiday for landlords	3.29	1.113	6 th
Suspension of upward rent review	3.29	1.254	7 th
The use of drones to carry out routine/schedule management inspection	2.86	1.345	8 th

Source: Field survey, 2022

The result of analysis of respondent's opinion on possible solution to the problems were presented in Table 2. Install mental rent payment/short term commitment to achieve adequate occupancy was ranked first as solution to the challenge. Flexible Lease agreement to create room for review in changing circumstances was rank second and adoption of digital strategies for property management was ranked third.



CONCLUSION

The study revealed the collective opinions of practicing estate surveying and valuation firms in Jos, Plateau State Nigeria during the Covid-19 pandemic on the challenges of property management as well as the strategies adopted to ensure efficient property management in generating adequate returns. The study's findings revealed that the tremendous impact of the covid-19 pandemic on real property management in the study area, especially. It shows a decreasing inflow of returns as compared to returns in the post-pandemic and pre-pandemic era. This is however in line with the findings of Akalemeaku, Nwafor and Nnamani, (2021) who assert that properties remained void during the COVID-19 pandemic era which led to loss of income or returns to prospective property owners.

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