RESPONSIVENESS OF PROPERTY MANAGEMENT FIRMS TO THE INCREASING EXPECTATIONS IN THE PROPERTY MANAGEMENT SECTOR IN KENYA: A CASE STUDY OF PROPERTY MANAGEMENT FIRMS IN JUJA TOWN

BY

WAMBUI JOHN ERIC GITONGA

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Master of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SPRING 2016
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ____________________________  Date: ____________________________

Wambui John Eric Gitonga (ID No. 642933)

This proposal has been presented for examination with my approval as the appointed supervisor.

Signed: ____________________________  Date: ____________________________

Prof. Katuse Paul

Signed: ____________________________  Date: ____________________________

Dean, Chandaria School of Business
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ABSTRACT

The aim of this study is to investigate the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya with focus to property management firms in Juja town. The study is guided by the following research objectives: to examine the responsiveness of property management firms to the increasing expectations of property owners in Kenya, to investigate the responsiveness of property management firms to the increasing expectations of tenants in Kenya and to study the responsiveness of property management firms to the increasing expectations of other stakeholders in Kenya.

The study adopted a descriptive research design and the population of the study was made up of the 5 property management firms in Juja town. The study carried out a census of the 5 property management firms and all the 45 employees in those firms. Stratified random sampling was used to divide the population into two strata’s comprising of the management and non-management staff. Data for the study was collected using a questionnaire, which had both structured and unstructured questions. The questionnaires were then administered to the sampled respondents. The data collected was edited for accuracy, consistency, and completeness, then analyzed using descriptive and inferential statistics with the help of the statistical package for social studies (SPSS), and then presented using tables and pie charts.

The findings of the study revealed that property management firms do meet the expectations of the property owners and employ various strategies to meet the expectation of the property owners. The study also revealed that tenants are more aware and very concerned about the level of service they receive. In addition, the study found that to meet the expectations of various authorities property management firms applied strategies like regular review of laws and regulations, payment of rates, taxes and licenses on time and obeying all the relevant laws. The study concluded that property management firms use various strategies to meet the increasing expectations of the property owners, outstanding tenants’ service means meeting and anticipating the tenant needs and property management firms are bound by professionalism and ethics. The study recommended that property management firms should continually revise the strategies they employ to meet
the increasing expectations of the property owners and that property management firms should strive to meet outstanding tenants’ services and tenant needs. Additionally, the study recommended that property managers should be familiar with laws concerning real estate, property management, laws of contract, the law of agency and negligence and consumer protection laws.
ACKNOWLEDGEMENT

I acknowledge the almighty God for the opportunity and strength that have seen me this far. I and directed me in writing this paper. I acknowledge the moral support from my family and friends.
DEDICATION

I dedicate this project to my aunt Teresiah Wanjiru, the entire Dilland Real Estate, and my uncle Mr. Antony Ngubiru of Amat Property Limited.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Housing is a key contributor to social stability and economic improvement in the developing world (World Economic Forum, 2010). Housing has a focal significance to personal satisfaction with substantial economic, social, cultural and individual essentialness and assumes an immense part in reviving monetary development in any state, with shelter being among key pointers of advancement (Gommans et al., 2014). As such, housing speaks to a standout amongst the most essential human needs and more, as a unit of environment; housing affects the wellbeing, proficiency, social conduct, fulfillment and general welfare of the community. Today, rental lodging is an extending and lucrative venture division that has sufficiently gathered financial specialists both in the developed and developing nations of the world (Sani and Gbadegesin, 2015).

Global megatrends, such as rapid urbanization and demographic changes have led to substantial growth in the global real estate industry (PWC, 2015). In many urban areas and towns around the globe a noteworthy extent of inhabitants are tenants. Most individuals in developing and developed nations incline toward renting as opposed to owning the housing unit in which they stay (UN-HABITAT, 2011). Opportunities in the real estate sector have surged as well as assets invested in the sector (PWC, 2015) since for a huge number of individuals rental housing gives a noteworthy wellspring of wage (UN-HABITAT, 2011). As such, property owners are developing more rental units to increase their profits through rent paid by the tenants but the increased number of tenants and property owners has made property management difficult especially for the property owners who are losing huge sum of money through tenants who evade rent (Gommans et al., 2014). Thus, rental property management has become important factor in the modern society.

Property is an important factor in all businesses and the management of property assets in the recent years has turned into the center of numerous organizations including the non land organizations (Yusof, 2013). Property owners and investors around the world have been getting a charge out of rising rentals and business sector esteem on their properties
without understanding the significance of real estate management. Nonetheless, when the property monetary crisis hit the globe, it taught numerous speculators to be more effective and that properties are all the more appropriately overseen, property ventures are all the more precisely planned and real estate administration got more consideration from people in general (Yusof, 2013).

Property management alludes to the administration and the services rendered to proprietors, inhabitants, licensees and leaseholders, with the point of empowering these individuals to have calm satisfaction in their homes, workplaces and shopping centers and an agreeable, safe yet secure environment (Chan, et al., 2001). Tang (2008) defines property management as the ways and means to achieve occupants’ satisfaction of the building in terms of the management services including cleanliness, security, safety, clubhouse facilities and other functional aspects. Property management in revenue driven housing can be seen as a main concern recommendation that gives essential administrations to tenants as indicated in the lease while keeping costs contained so that the property creates a benefit for the proprietor (Coalition Homes, 2009). According to Tang (2008) property management is the operation of private, business or industrial real estate and is much likened to the part of management in any business.

Property management firms, utilized by owners of properties, regularly give such administrations as instructing contractual workers to complete repairs, sorting out normal property insurance cover and the cleaning and upkeep of basic zones - stairways, passages, lifts and basic gardens. Property management firms likewise bill and gather cash from individual tenants (OFT, 2009). The property management sector is divided into three major categories including maintenance and use management of buildings and the surrounding environment, living and commercial support services and property management provides services from real estate management consulting to development and leasing and investment management. The property management industry is one of the commercial enterprises that give both the substantial and elusive merchandise and administrations to the clients (Tang, 2008).

Property management has transformed from caretaker function to a customer-focused approach (Crista, 2005). Property management exercises bolster the mission and objectives of the housing and encourage occupants housing solidness and freedom, and
proper resource administration systems manage the physical and money related practicality of the housing resource (Coalition Homes, 2009). Today, in view of the better understanding of their rights and interests, people can no longer tolerate the general provisions of caretaking, cleaning and repair and maintenance, not to mention the self-help management which is in fact no management at all (Crista, 2005). In addition, the worldwide financial crisis of 2008 increased the customer’s demands and expectations for different service industries including the quality of property management industry are increasing. This customer-led market has demanded excellent and keen competition in the property management services (Tang, 2008).

Property management is an extremely demanding and testing calling. It includes arranging a productive framework and additionally coordinating, organizing and controlling every one of the aptitudes accessible towards maximizing wage from a property and in the meantime guaranteeing most extreme assurance of its fabric from deterioration and wastage through appropriate upkeep and support (Baharum et al., 2009). The property manager is in charge of the everyday administration of the property, including upkeep, inhabitant screening, renting, rent gathering, financial administration, funder consistence reporting, and other different obligations (Coalition Homes, 2009). Property managers of today should be multidimensional when performing the occupation undertakings and obligations required of them including client administration, showcasing, budgetary execution and physical site upkeep (Dahler, 2008).

Great property management is the use of skill in looking after the property, its surroundings and courtesies, and in building up a sound relationship between property proprietor and occupant, and between inhabitants themselves, all together that the estate, and the individual houses, may give the fullest worth to both the property proprietor and the tenants (Tang, 2008). Great property managers gives a superior living environment as well as keep up the property value (Crista, 2005). Thus, a property manager should also have great interpersonal skills to build up a superb association with the proprietors, distinctive inhabitants and occupants to make each inhabitant and occupant that lives or work in a comfy environment (Tang, 2008).

Kenya in the recent past has also witnessed an upsurge in real estate investment owing to increased quest for Kenyans to own homes coupled by an increased demand for
residential homes due to increased rural urban migration, as well as demand for office space as more small and medium enterprises come into being (Nzalu, 2013). Kenyan land property covers all property classes including single and multi-family private homes, business and horticultural area, office space, go-day breaks and stockrooms, retail outlets and shopping edifices (Nzalu, 2013). Kenya is one of the most rapidly urbanizing nations among the developing countries and it is estimated that about 200,000 Kenyans move to cities every year and that formerly rural areas are increasing becoming urban (World Bank report, 2010). Both the urban populace and the number of towns in Kenya have expanded massively in the course of the most recent 35 years (Mwangi, 1997).

Rental settlement in Kenyan towns has as a rule been connected with low-pay family units yet it has additionally turned into housing for middle income families and new urban inhabitants of all salary levels (Mwangi, 1997). In Kenya, it is difficult to generalize on the nature of rental housing. There are many actors within the informal and formal sectors involved in the supply of housing (Mwangi, 1997). However, the demand for residential and commercial houses in Kenya has been on the increase in the recent years and the demand for housing in Kenya is immense and driven by a growing population and urbanization (Makori and Memba, 2015). The increasing demand residential houses have necessitated the need for effective property management to meet the expectation of property owners, tenants and various authorities including the county and the national governments.

1.2 Statement of the Problem

Property management belongs to the secondary and tertiary industry that provides both the tangible and intangible good and services to the residents (Tang, 2008). However, the management of properties has been considered a simple operation involving various management functions include but not limited to security services, cleaning services, repair and maintenance services and car park management services. However, in the fast changing world, the high demanded market leads the property management companies to achieve excellence service quality (Tang, 2008) and meets the expectations of various stakeholders. As such, property managers today are required to uphold the tenets of the institution by protecting the interests of the property owners and tenants (Sani and Gbadejesin, 2015).
In addition, in early years of property management, the major functions served by the property managers were provision of caretaker service or acting as buffers between tenants and owners. However, today owners and tenants alike are expecting more and more from property management services given the awareness of their rights and interests (Crista, 2005). As such, property management is a complex job, which is not only providing management maintenance service to the established buildings but also need to please owners, residents and authorities and also satisfy their needs. In addition, today property managers face issues of overseeing bad occupants and the fault is put unequivocally on the property manager by the property proprietor along these lines the property manager is constantly under pressure to keep having the property owner as his customer while experiencing issue of dealing with the non-abiding inhabitant (Owalade, 2010).

Numerous studies have also been carried out on property management. For instance, Tichaona and Nyaruwata (2014) analyzed the marvel of difficulties confronted by the real estate managers in the city of Beira in Mozambique and found that their exercises are being overseen heedlessly since there was no government board to supervise the property business. In Kenya, Mutunga (2012) examined the property management approaches and its relation to customer satisfaction of commercial high-rise buildings in Nairobi and established that choice of the kind of property management approach used is determined by various reasons including need for expertise knowledge, strategy to control cost, reduced employee turnover and customer satisfaction. However, the above studies did not investigate responsiveness of property management firms to the increasing expectations in the property management sector. As such, no studies have examined the responsiveness of property management firms hence a gap in literature, which this study intends to seal by examining, the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya.

1.3 General Objective

The general objective of this study was to investigate the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya with focus to property management firms in Juja town.
1.4 Specific Objectives

The specific objectives of this study are

1.4.1 To examine the responsiveness of property management firms to the increasing expectations of property owners in Kenya

1.4.2 To investigate the responsiveness of property management firms to the increasing expectations of tenants in Kenya

1.4.3 To study the responsiveness of property management firms to the increasing expectations of authorities in Kenya

1.5 Significance of the Study

The findings of this study will be of significance to

1.5.1 Property Owners

The findings of this study will be of benefit to property owners in Kenya, as it will highlight the various expectations property owners expect from property management firms and also help them to determine whether seeking the services of property managers is beneficial or not.

1.5.2 Tenants

The study findings will also be of significance to tenants as they will be able to understand the functions and roles of property managers and on the various ways to improve their relationships with both the property owners and the property managers.

1.5.3 Property Managers

Property managers will also benefit from the study findings, as it will provide recommendations on how to deal with tenants, property owner and meet the need of various authorities and at the same time maximize profits.
1.5.4 Policy Makers

The findings of the study will also be of significance to various policy makers including the government of Kenya, various county governments in Kenya and other regulatory authorities in Kenya to generate effective policies of property management in Kenya.

1.5.5 Future researchers and scholars

The study will lay foundation for further scholarly pursuits alongside this discipline. The research findings will be of benefit to future researcher and scholars as the study will provide an additional knowledge on property management. In addition, the study will serve as a basis for further research

1.6 Scope of the Study

This study sought to investigate the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya. The study was carried out in Juja Town in Kiambu County. The study involved all the property management firms in the town and sampled all the property management firms’ management staff and the general employees.

1.7 Definition of Terms

1.7.1 Property Owner – The term property owner refers to the individual or entity with legal right of title to a property (Kwan, 2004).

1.7.2 Tenant – The term tenant to refer to a person or entity that pays rent to occupy or gain possession of real estate. A tenant can also be defined as a person occupying or holding possession of a building or premises pursuant to a rental agreement (Baharum et al., 2009).

1.7.3 Property Management – Refers as the ways and means to achieve occupants’ satisfaction of the building in terms of the management services including cleanliness, security, safety, clubhouse facilities and other functional aspects. The meaning of property management is restricted to the management of set up structures additionally require giving contribution at the arranging or development phases of another construction development (Kwan, 2004).
1.7.4 **Property Manager**—refers to the person in charge of the everyday administration of the property, including upkeep, inhabitant screening, renting, rent accumulation, financial administration, funder consistence reporting, and different obligations (Coalition Homes, 2009).

1.7.5 **Property Management Firms**—refer to firms that give such administrations as: instructing for repairs, sorting out normal property insurance and the cleaning and upkeep of regular zones - stairways, corridors, lifts and basic greenery enclosures (OFT, 2009).

1.8 **Chapter Summary**

This chapter presents the background of the study problem, the statement of the problem and the study objectives covering both the general and the specific objectives. In addition, the chapter provides the significance of the study to various parties including tenants, property owners, property managers and policy makers. Further, the chapter presents both the academic and geographic scope of the study and finally the definition of operational terms. Chapter 2 presents the available literature on the responsiveness of property management firms.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews the existing literature on the responsiveness of property management firms to the increasing expectations in the property management sector in various countries and as advanced by various authors across the globe. The first section reviews literature on the response to the increasing expectations of property owners while the second section reviews the literature on response to the increasing expectations of tenants whereas the third section reviews the response to the increasing expectations of authorities and finally the chapter summary.

2.2 Response to the Increasing Expectations of Property Owners

Property owners may be individuals or investment syndicates such as partnerships or a limited liability company. As such, property managers act as agents to represent proprietors in managing all parties on the issues identifying with the property. If a property owner authorizes a property manager to act on his behalf that gives rise to a relationship, which is subject to the law of agency and the property manager has a duty to disclose situations that bring the interests of the property manager into conflict (Office of Fair Trading, 2009). Property owners expect adequate accountability, control, responsibility and maintenance of their property from their property managers. However, the relationship between the property manager and the proprietors in a mutual property is characterized by complex enactment, property deeds and agreements (Office of Fair Trading, 2009).

These days, property proprietors have understood that a decent property administration organization can make a decent living environment and also to upkeep the estimation of their property. Consequently, the vast majority of the property proprietors will have more prominent worry on whether their property is overseen by an expert property management or not (Kwan, 2004). Thus, from the property owner’s point of view, it is alluring that the properties ought to be as effectively and financially kept up and oversaw as would be prudent. Property owners always choose to outsource in property management hence
having a great working association with the property manager, it is imperative to be sure about the expectations on both sides (MacDonald, 2011).

2.2.1 Services offered to Property Owners by Property Management Firms

The establishment of homes and multi-story structures oblige proprietors to employ a property manager to deal with their structures, for example, giving security, purging and support administrations in appreciation of the normal zones of a property (Kwan, 2004). Delrio (2014) postulates that commercial property managers provide services like rent collection, determining lease and rent rates, advertising the property and rent amounts that will appeal to and attract tenants on behalf of the property owners. Thus, properties managers must diligently collect rent on time and ensure the owners’ cash flows remain positive. Property managers also locate and screen tenants, handle complaints and emergencies, move out and evict tenants on behalf of the property owner (Delrio, 2014).

According to Esway, Muzinich and Walsemann (2014) property management firms likewise give a full scope of careful and core services for the investment property proprietor. They incorporate showcasing and publicizing, appearing, repairs/keep, property inspections, rent collection, evictions, and statements month to month with direct deposit accessible. In addition, Esway et al. (2014) posits that property management firms complete evaluating for owner-managed properties, especially for those proprietors living a long way from the investment property, offer administrations like lease agreements, rent collection implementation, property examination, ousting, court arrangement and appearance.

Property management firms also offer accounting services to property owners where they group installments into bank deposits, print bank slips and demonstrate when the cash has been kept in the bank. The support of a satisfactory trust fund bookkeeping framework is fundamental because of the guardian relationship between the property dealer and the property owner (Yusof, 2013). As such, property management firms also control property expenses on behalf of property owners, which involve proficient track charges, cooperations with merchants, guarantee bills are paid for the appropriate period of time and bill payments (Hebb, Wood and Hamilton, 2009). In addition, property management firms provide expertise in property management; provide professional advice on how to
increase rent, the value of the asset and to protect the property. Property management firms likewise give a free composed proposition containing a sample administration agreement that depict the services to be given, spending breaking points, reports and expenses among others. management expenses charged are regularly in view of a rate of income gathered with a minimum month to month base fee (DeCarlo, 2007).

Property managers in the interests of the property owner and other tenants and in the course of management of the property also seek and validate appropriate references for prospective tenants (Diana, 2009). In addition, property managers carry out regularly and proper property inspection in accordance with the property owner instructions. Moreover, proficient management firms work together with the property proprietor to decide how the property or properties ought to be situated or repositioned in respect to the present business sector patterns and aggressive properties and exhortation the proprietors' issues that may bring down working costs, build net working wage or include new wellsprings of net working wage (Diana, 2009). Other services offered by property management firms include keeping the property owner properly informed about errant tenants who constantly breach their tenancy agreement, if the agent is aware of that (Competitions and Markets Authority, 2014). Property manager also set up and maintain proper records, making regular reports to the owner that are easily understandable and that cover all operations (OFT, 2009).

2.2.2 Conflicts between Property Owners and Property Management Firms

The fundamental desire for a property owner paying administration fee ought to be an association with their property manager or the key of the business and a marketable strategy for how their speculation property can develop in capital worth for them (Sim, 2010). In any case, the worth included components come as the additional services they can consolidate into the management of the property. Clearly, a property manager can't do everything except for they are great at planning all the services you require for the overall management for the proprietors venture (Sim, 2010). Issues can likewise emerge where the correspondence between the property manager and the proprietors of the common property is not adequate (Office of Fair Trading, 2009).
The owner of the property may also have diverse expectations and requirements for the maintenance and repair of common facility - and diverse perceptions of value for cash. Every property manager use their own rates, and some may be all inclusive while others may charge extra for additional services (MacDonald, 2011). Thus, sometimes it may be difficult for the owner and the property manager to agree on a price for services rendered (Office of Fair Trading, 2009). In addition, owners are very concern on the financial management and some of the owners may even carry out a tighten control on the financial management towards the management company, such as to restrict the manager to purchase building material when the prices are over certain level (Tang, 2008).

The quality of property management services provided may also lead to conflict between the property owner and the property management firm (Chan, et al., 2001). Most conflicts arise due to lack of professionalism and knowledge, poor communication with or lying to property owners, failing to act in accordance with the property owners’ instructions or acting outside the agreed authority, failure to communicate a conflict of interest, bad repairs or failing to do repairs and failure to pass rent to the property owner (Crista, 2005).

A study by Olawande (2010) posits that landlords regularly gripes about the property manager wrong choice to choose awful occupants into occupation of the property, notwithstanding when the owner himself had assumed noticeable part in selecting and supporting the inhabitant. Such powers the property management firm to discharge the occupant a procedure which includes time, money related and non-monetary expenses now and again borne by the firm, where the landlord declines to hold up under such expenses. Disagreements may also happen from the owner and the property manager since owner want to keep the current expenses as low as possible in order to reduce the management fee. While on the other hand the property manager may want to carry out some preventive maintenance and improve the service standard, which is necessary to increase the expenses and the management fee as well (Tang, 2008).

2.2.3 Strategies used to meet the Expectations of Property Owners

A property manager’s main task is to manage the property in a manner that helps the property owner achieve his investment goals. Mostly property managers work with the
property owner to develop a management plan based on the goals of both the property owner and the property management company (DeCarlo, 2007). According to the Competitions and Markets Authority (2014) property management firms to meet the expectations of property owners provide full information about their management fees, including those that are variable and optional in addition to ensuring that the terms of any contract they use is clear and do not contain hidden surprises. Moreover, property management firms also ensure they comply with with their legal duties towards landlords and as their agent take proper care of their money, disclose any sums or commissions they receive from tenants or trades people, and also provide accurate advice on compliance with the various laws and regulations to the property owners (Competitions and Markets Authority, 2014).

2.3 Response to the Increasing Expectations of Tenants

Tenants are nowadays aware of and concerned about the level of service they receive. The requirement for high standard of service quality in property management has grown through the years because tenants have become more demanding in an increasingly competitive business environment (Baharum et al., 2009). Thus, property managers must be able to create lasting tenant relationships, achieve the highest level of tenant satisfaction and retention, and able to combine industry knowledge with their business acumen (Baharum et al., 2009). According to Chin and Poh (1999) due to the increase in expectations of tenants and the growth in the economy, there is a growing awareness of the need among buildings owners, professionals, and the authorities to raise the standard of property management practice.

From the tenant’s point of view, the house should provide a home, the focal point for a full and happy life for the family, set in surroundings where there are opportunities for attaining the wider goal of a full and happy community life. Property managers should understand customers’ requirements and it is required the management staff to concern on the residents’ problems, to fulfill the residents’ requirements, to protect the residents’ interest including the privacy rights, etc (Tang, 2008). Many consumers do not understand their rights and obligations and are unsure about what they should expect from their property manager, or the standards of service that should apply. However, finally when consumers easily and confidently identify the terms and conditions, which apply to
their relationship with the property managers, then the possibility of a breakdown of that relationship increases (OFT, 2009).

Olawande (2010) posits that one of daunting challenges to harnessing real estate investment in Nigeria is selection of tenants since many prospective tenants of completed development projects often appear good at the recruitment stage but later become belligerent with grave consequence and challenge to property managers. Owalade (2010) further posit that in Nigerian urban areas after the initial advance rent of one to three years has expired, the problem of collection of subsequent rents sometimes sets in. Most prospective tenants who were usually eager to meet the terms, conditions and requirements normally set for new tenants often become recalcitrant no sooner than they had taken possession of the accommodation. Not only do they default in rent payment, they often fail to comply with responsibilities under the covenants of the tenancy. Such responsibilities include settlement of electricity bills, repairs and maintenance of property owners’ fixtures and fittings.

Mwangi (1997) posits that tenants in Kenyan towns are not included in planning for rental housing primarily because they are not the owners and have no large-scale financial stake in housing investment. Most tenancies in low-income private rental units and squatter settlements are not based on written contracts but, rather, are oral agreements between property managers and tenants. Often, property owners or their agents take measures which affect tenants adversely and are contrary to the oral agreement but there is usually little tenants can do to protect their rights. However, tenants are slowly realizing that they can raise their voices and convey messages about their rights (Mwangi, 1997).

2.3.1 Services offered to Tenants by Property Management Firms

Property management firms provide supportive housing by ensuring the effective operations of the housing, the performance of maintenance activities to sustain the quality of the living environment for tenants and assuring compliance with fair housing laws and regulations (Coalition Homes, 2009). In the case when a tenant moves in, the property management firms ensures that the property is ready and making it available for occupation by the tenant and also give the tenant the information they need immediately before and on entering a property, taking a security deposit and handing over the
property. Property managers also give information to tenants about notice periods and the form of the notices (OFT, 2009).

Additionally, property management firms provide support to tenants and address issues related to house rules, access to common areas and safety concerns. Property management firms also provide support to tenants as they establish independence and achieve a level of economic self-sufficiency by considering them as preferred candidates for site-related jobs (Coalition Homes, 2009). In addition, property management firms provide prospective tenants with a copy of the tenancy agreement so that they can decide if they are happy with the obligations it would place on them and familiarize themselves with the agreement, before signing it or paying any money in relation to it (Competitions and Markets Authority, 2014).

Property management firms also play a role crisis management regarding property issues require immediate response from the managing agent with notification to the owners. If the crisis involves a tenant, the supportive services staff takes the lead and works with other supportive service providers to address the issue with the tenant (Coalition Homes, 2009). Property managers also carry out maintenance and repairs is that maintenance sustains the current condition of the property while repairs restore the property to its proper condition on behalf of the property owner to ensure that tenants are comfortable. Property managers also set policies, which give tenants the most benefits commensurate with a proper return to the owner (OFT, 2009).

2.3.2 Effects of Poor Services to Tenants

In the property industry, outstanding tenants’ service means meeting and anticipating the tenant needs. This is because tenants are the lifeblood of a property management companies (Baharum et al., 2009). Negative tenant relations can have a serious effect on property returns, as letting space is the prime income generator for the owner and the management company. A recurring problem is that tenants' needs and dissatisfactions are discovered too late, as when a tenant announces he will not be renewing the lease (Baharum et al., 2009).

Property managers may offer poor service and increase charges to leaseholders due to poor oversight and control from property owners given these misaligned incentives. Poor
outcomes can be exacerbated by the limited constraint on incumbent property managers from potential competition (Competition and Markets Authority, 2014). A study by Tichaona and Nyaruwata (2014) in Mozambique established that numerous complaints on weekly basis are witnessed from the public about the charging of commission from both buyers and sellers of the properties, unspecified threats when one refuses to give a second commission. There are incidence where the house selling agencies end up robbing their very clients due to the simple fact that they would have fully inspected a property and now fully understand the house contents and security conditions.

According to Kwan (2004) owing to the affluence of the society, more and more people are able to buy their own flats and they pay much concern about their living environment. Recognizing that good management service can help to create a leisure living environment as well as to upkeep the value of their properties, they worry about whether their property management companies are able to provide professional and quality service. In particular, those residents who offer a high price to purchase their flat units would expect a relatively higher standard of management service. Thus, in order to satisfy customers’ expectation, property management firms have to try their best endeavor to fulfill the need of residents, understand what they want and recognize the effective way to deliver quality service to sustain its survival in this competitive market.

2.3.3 Strategies used by Property Management Firms to meet Tenants Expectations

Traditional and reactive property management is no longer satiating the expectations of customers, they look to something more than security, cleaning and repair and maintenance and insurance arrangement (Crista, 2005). In response to tenants expectations, it is essential for the property management companies to know the ways to address these new challenges by delivering a constant level of service such that property management has to include both the technical aspect of building maintenance so called hardware and the human aspect of interacting property managers and residents (Crista, 2005).

Professional property manager should also be competent in the maintenance of the estates in an economically and effective way, provide quality management services towards residents and fulfill their expectations (Tang, 2008). Property managers should give their
clients professional advice as to the appropriate rent to be fixed for a particular property using their professional experience and exposure. Property managers should also endeavor to advise at the instance of clients on the need to carry out feasibility and viability studies to be able to know housing need and what to fix as rent eventually (Sani and Gbadegesin, 2015).

Tenants seek quality customer care and satisfaction, ease of payment and effective communication with property managers. Thus, Coutenay (2015) posits that one economical approach to attract good tenants is to remunerate their great reputation since it is a powerful technique to fortify positive conduct. Sani and Gbadegesin (2015) points out that the property manager should endeavor to give tenants concession on the terms of rent collection. Moreover, it is high time estate surveyors and valuers started supervising residential rental housing projects for their clients in order to meet the expectation of prospective tenants in term of features and needed facilities in such property. Property managers also respond promptly and suitably to reasonable requests from tenants for information or observations relevant to the management of property.

In response to the tenants expectations property managers also ensure the property is made available on the date agreed, and the tenant is kept informed of any delays. In addition, property managers also ensure that when the tenant moves in, the property conforms to all statements previously made to the tenant about its specification including furniture, fixtures, fittings and any works that had been agreed (Coutenay, 2015). Property managers also provide tenant with all the information required by law about the condition of the property, along with other material information such as information relating to energy suppliers. Finally, property managers also ensure that any security deposit is properly protected and the tenant is given information about which scheme it is with (Competition and Markets Authority, 2014).

2.4 Response to the Increasing Expectations of Authorities

Property management firms are generally established in the way it is done by the incorporation of a company under the Companies Acts hence they are also bound to follow the company’s act. Property management firms and go through certain formalities associated with the incorporation of the company, they bring into being a new legal
person, which in its own corporate name can hold land, enter into contracts and embark on legal proceeding (ODCE, 2008). Company law contains a well-developed body of rules and principles, which assist in bringing about fair and transparent decision-making, appropriate dissemination and circulation of information, the protection of minority interests, and the enforcement of certain fiduciary obligations (ODCE, 2008).

Property managers like others managers are bound by general laws for example the laws of contract, the law of agency and negligence and consumer protection laws which is concerned with misleading and deceptive conduct (ODCE, 2008). The property manager is an agent of the owner, and is therefore subject to all of the legal obligations generally imposed on agents. These include good faith and loyalty to the owner, performance of all duties with skill, care, and due diligence, full disclosure of all important details, avoidance of commingling of funds, and refraining from personal profits without the owner’s full knowledge and consent. The manager must also be familiar with laws concerning real estate licensing, consumer rights and protection, local authorities’ by-laws contracts, fair housing, employment, property protection, and tenant/landlord relationships (Legalzoom, 2008).

2.4.1 Agency Laws

The relationship between a property manager and a client is an agency relationship where the manager is the owners tenant and the owners is the agent’s principal. The general law of agency governs such a relationship. The manager /agent are authorized to represent the owner/principal in dealing with third parties such as tenants, suppliers and contractors. In addition, the manager/agent owes the owner fiduciary duties, meaning that the agent has a legal obligation to protect and promote the owners interests and the agent can be held liable for failing to meet any obligations (Hebb, Wood and Hamilton, 2009). As an agent, the property manager is subject to all of the legal restrictions generally imposed upon an agent, as well as those specifically included in the contract. A property manager also has the duty to disclose situations that may bring the interest of the property manager and the property owner into conflict (Dunlap, 2015). A property manager authorized to act as an agent for the property owner has a duty to ensure that they have sufficient skills, knowledge and expertise to carry out the property management services including being aware of the relevant legal requirements.
2.4.2 Registration and Licensing

In most countries, real estate property managers must be registered real estate sales representatives operating under the supervision of a licensed real estate agent who is in charge of the agency. Thus, when a management company is formed as a sole proprietorship, partnership, corporation, or other legal entity, each of which has its own revenue and tax implications, all legal requirements should be followed in establishing it. The management company and its employees shall conduct business activities with knowledge of and in compliance with all applicable laws and regulations (Mwangi, 1997). According to the Legalzoom (2008), most countries require that property managers have either a property management license or a real estate license. However, the rules vary from state to state and from management type to management type (e.g., property vs. association).

2.4.3 Consumer Rights and Protection Laws

The Competition and Markets Authority (2014) posits that as well as the provisions of property law, businesses engaging in property management services, and advertising properties to which property management services will be supplied, such as estate agents and property developers, may be subject to the provisions of consumer law. The Consumer Protection from Unfair Trading Regulations of 2008 prohibits traders from engaging in unfair commercial practices in their dealing with consumers. The consumer protection regulations require traders not to treat consumers unfairly, and prohibit misleading or aggressive commercial practices, where these are likely to have an impact on consumers’ transactional decisions (Competition and Markets Authority, 2014).

Kwan (2004) posits that in Hong Kong the Government encourages provides a framework to form the owner’s incorporation, which facilitates the control of power over the management companies. The various measures promotes the demands of the concerted efforts of building owners, tenants, managers and other parties to work and co-ordinate with each other in order to enhance the standard of building management. According to Kwan (2004), the main purpose of the regulatory measures is to facilitate the management of property management firms and to increase the power of the management committee in
monitoring and controlling the management work performed by the management company. In addition, the regulations help owners in managing their properties and to promote the sense of belonging and responsibility among residents and to promote better security, better environment and more effective management within the building.

2.4.4 Local Authorities By-laws

By-laws by local authorities and environmental management organization also require property owners or their agents to comply with certain basic maintenance and repair items. Property management firms are also bound to professionalism and the upholding of professional ethics (ODCE, 2008). In addition, property management firms must follow various rules and regulations concerning public health, building safety and town planning. As such, rental homes must be properly maintained as per the set by-laws in order to preserve the value of the property and to maintain a positive relationship with the residents (Legalzoom, 2008). According to Dunlap (2015) property management firms should be proactive in understanding local regulations regarding safety and implement programs that exceed minimum local requirements.

2.4.5 Property Management Laws in Kenya

In Kenya, the Estates Agents Act Cap 533 and the Sectional Properties Act Cap 286A regulate the operations of property management firms. The Estates Agents Act describes Estate Agents as persons in connection with the selling, mortgaging, charging, letting or management of immovable property or of any house, shop or other building forming part thereof. The Estates Agents Act define a practicing estate agent as a member who receives payment for acts done by way of practice as an estate agent by him, or by a partner of his, or by an employee of his or of the partnership or by any person acting on his behalf (Estates Agents Act, 2012).

The Sectional Properties Act provides for the division of buildings into units to be owned by individual proprietors and common property to be owned by proprietors of the units as tenants in common and to provide for the use and management of the units and common property and for connected purposes (Sectional Properties Act, 2012). The Estates Agents Act establishes the Estate Agents Registration Board, which is mandated to ensure compliance of the act by various persons dealing with real estate management. The board
is also charged with the responsibility of registering estate agents and of ensuring that the competence and conduct of practicing estate agents are of a standard sufficiently high to ensure the protection of the public (Estates Agents Act, 2012).

2.5 Chapter Summary

This chapter has examined various studies on the responsiveness of property management firms to the expectations of the increasing expectations in the property management sector. The chapter has examined the response to the increasing expectations of property owners, the response to the increasing expectations of tenants and the response to the increasing expectations of authorities. However, most of the studies have been carried out in the global scene and only few studies in Kenya and regionally.
CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents the methodology used to carry out the study. The chapter presents the research design, population and sampling design and the data collection method. In addition, the chapter highlights the data collection method, the research procedures, the data analysis methods and finally the chapter summary.

3.2 Research Design

A research design is the game plan of conditions for accumulation and analysis of information in a way that expects to consolidate importance to the research reason with economy in the method (Babbie, 2002). Cooper and Schindler (2003) characterizes an research design as an action and time based arrangement; constantly taking into account the research question; manages the determination of sources and sorts of data; a framework for indicating the relationship among the study variables and blueprints the methodology for each research activity. Troachim (2008) delineated that the examination outline is utilized to structure the exploration, show the elements of significant parts of the research project and clarify the contribution of every part in tending to the focal research questions.

This study employed a descriptive research design. A descriptive research design details the method that quantitatively synthesizes the empirical evidence of a specific field of research to describe the relationship between variables. Cooper and Schindler (2003) state that descriptive studies are more formalized and typically structured with clearly stated hypotheses or investigative questions. Descriptive studies serve an assortment of research objectives, for example, depictions of marvel or qualities connected with a subject area of populace that can be utilized to characterize the attributes of the entire population, and revelation of relationship among various variables (Cooper and Schindler, 2003).
3.3 Population and Sampling Design

3.3.1 Population

A population is the whole accumulation of all observations of interest (individuals, objects or events) as characterized by the researcher (Gall et al., 2006). Mugenda and Mugenda (2006) characterize populace as the whole gathering of people or things under thought in any field of inquiry and have a common characteristic. The population of this study was made of the 5 property management firms in Juja town. This population had the potential to provide the relevant information regarding the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya.

Table 3.1 Population of the Study

<table>
<thead>
<tr>
<th>Firm</th>
<th>No. of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amat properties Ltd</td>
<td>12</td>
</tr>
<tr>
<td>Shelter Kings Ltd</td>
<td>8</td>
</tr>
<tr>
<td>Kagongo Agencies Ltd</td>
<td>8</td>
</tr>
<tr>
<td>Dilland Investments Ltd</td>
<td>7</td>
</tr>
<tr>
<td>Johari Estates Ltd</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

A sampling frame is a list of elements, or individual members, of the overall population from which the sample is drawn (Zikmund et al. 2011). The sampling frame is also called the working population because these units will eventually provide units involved in analysis. In this study, the sampling frame comprised all the employees of the 5 property management firms in Juja town.
3.3.2.2 Sampling Techniques

Sampling is the statistical process of selecting a sample of a population of interest for purposes of making observations and statistical inferences about that population (Kothari, 2004). Stratified random sampling was used to divide the population into two strata’s comprising of the management and non-management staff. Stratified sampling method ensures that certain sub-groups in the population are represented in the sample in proportion to their numbers in the population itself (Kothari, 2004).

3.3.2.3 Sample

This study carried out a census of the 5 property management firms and all the 45 employees in those firms. A census is the complete enumeration of all the items in the population. In a census inquiry all the items are covered thus, no element of chance is left and highest accuracy is obtained (Kothari, 2004). According to Zikmund et al (2011), a census is an investigation of all the individual elements that make up the population i.e. a total enumeration rather than a sample. A census inquiry was considered since the population was finite.

Table 3.2 Sample Size Distribution

<table>
<thead>
<tr>
<th>Strata</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Staff</td>
<td>15</td>
</tr>
<tr>
<td>Non Management Staff</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
</tr>
</tbody>
</table>

3.4 Data Collection Method

Data collection is the process of gathering and measuring information in order to be able to answer questions that prompted the undertaking of the research (Flick, 2009). Data for the study was collected using a questionnaire. The questionnaire was designed such that the respondents could easily comprehend the questions there in and the questionnaire had both structured and unstructured questions. Structured questionnaires entailed questions, which were definite, concrete, and pre-determined while unstructured questions entailed questions, which did not require specific answers (Kothari, 2004). A questionnaire is the
most appropriate instrument for collecting information because questionnaires are easy and enable quick derivation of information. Questionnaires also are more convenient for respondents in case they need to provide some sensitive information, in other words; they tend to be more honest and also helps to save time since hundreds questionnaires can be sent out in one batch (Bryman and Bell, 2007).

3.5 Research Procedures

The study used both primary and secondary data. Primary data was collected using a questionnaire. Permission to carry out the study was sought from the relevant offices including the Chandaria School of Business and from the management of the property management firms in Juja town. The questionnaires were then administered to the sampled respondents. Self-administration involved delivery of the questionnaire by hand to each respondent and collected right after they completed it (Saunders et al., 2009). The self-administering procedure was preferred since it was considered simple and the respondents read the questions and filled in the answers by themselves. Secondary data was sourced from journals, the internet, books and other relevant sources.

3.6 Data Analysis Methods

The data collected was edited for accuracy, consistency and completeness and then analyzed using descriptive and inferential statistics with the help of the statistical package for social studies (SPSS). Descriptive statistics were used to generate frequencies, proportions, tables and charts that involved measures of central tendency, measures of spread and graphical methods. Inferential statistics were used to draw conclusions and to make generalizations.

3.7 Chapter Summary

This study considered a descriptive research design and the target population comprised of the 5 property management firms in Juja town and all the employees in those firms. The employees were divided into management and non-management staff then a census inquiry was conducted. Data for the study was collected using questionnaires, which were administered to the sampled respondents. Finally, the data collected was analyzed using
descriptive and inferential statistics and then presented using tables and pie charts. Chapter 4 will discuss the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the study results and findings based on the study objectives, which included examining the responsiveness of property management firms to the increasing expectations of property owners; investigating the responsiveness of property management firms to the increasing expectations of tenants and examining the responsiveness of property management firms to the increasing expectations of authorities in Kenya. The findings are presented using tables and pie charts.

4.2 Response Rate
The study used a sample of 45 respondents and 45 questionnaires were administered to the sample respondents. However, only 41 questionnaires were returned fully responded to. Table 4.1 shows the results obtained

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaires returned</td>
<td>41</td>
<td>91.1</td>
</tr>
<tr>
<td>Questionnaires not returned</td>
<td>4</td>
<td>8.9</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

The results on figure 4.1 shows that 91.1% of the questionnaires were responded to while 8.9% of the questionnaires were not responded to hence a response rate of 91.1%, which was deemed adequate for the study.

4.3 Demographic Characteristics
This aimed at establishing the respondents’ job category, gender, the period they had worked for and the respondents’ educational status. The results for each part as as follows
4.2.1 Position in the Firm

This part aimed at establishing the position of the respondents in their respective firms. Figure 4.1 shows the results obtained.

![Figure 4.1 Positions in the Firm](image)

The results on figure 4.1 show that 68% of the respondents comprised of the non-management staff while 32% comprised of the management staff. This shows that most of the respondents were the non-management staff.

4.2.2 Gender

Figure 4.2 shows the results on the gender of the respondents.

![Figure 4.2 Genders of the Respondents](image)

The results on figure 4.2 show that 58% of the respondents were male while 41.46% of the respondents were female. This shows that most of the respondents were male.
4.2.3 Period Worked

This part sought to establish the length of time the respondents had worked in their respective firms. Table 4.2 shows the results obtained.

Table 4.2 Periods Worked

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5 years</td>
<td>15</td>
<td>36.6</td>
</tr>
<tr>
<td>6-10 years</td>
<td>16</td>
<td>39.0</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>10</td>
<td>24.4</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.2 shows that 39% of the respondents had worked for a period of 6-10 years whereas 36.6% had worked for a period of below five years while 24.4% had worked for a period of 11-15 years. On average, the results show that most of the respondents had worked for more than five years hence they had good knowledge and experience on the operations of property management firms.

4.2.4 Educational Status

This part aimed at establishing the respondents’ level of education. Table 4.3 shows the results obtained.

Table 4.3 Educational Status

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate</td>
<td>10</td>
<td>24.4</td>
</tr>
<tr>
<td>College</td>
<td>21</td>
<td>51.2</td>
</tr>
<tr>
<td>Secondary</td>
<td>10</td>
<td>24.4</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The results on table 4.3 show that 51.2% of the respondents were college graduates whereas 24.4% were university graduates while 24.4% were secondary school graduates.

4.3 Expectations of Property Owners

4.3.1 Response to the Increasing Expectations of Property Owners

This section was aimed at examining various responses to the increasing expectations of property owners. Table 4.4 shows the results obtained

**Table 4.4 Response to the Increasing Expectations of Property Owners**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>S.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property owners have a greater concern on whether their property is managed professionally by a property management firm</td>
<td>1.707</td>
<td>.7824</td>
</tr>
<tr>
<td>Property owner’s desire that their property is efficiently and economically maintained and managed as possible</td>
<td>1.63</td>
<td>.698</td>
</tr>
<tr>
<td>Problems can arise when the communication between the property manager and the property owner of is not sufficient</td>
<td>1.68</td>
<td>.722</td>
</tr>
<tr>
<td>Sometimes it is difficult for the owner and the property manager to agree on what services they want and a price they are all willing to pay</td>
<td>1.76</td>
<td>.767</td>
</tr>
<tr>
<td>Owners are very concerned on the financial management and carry out a tighten control on the financial management towards the property management company</td>
<td>1.73</td>
<td>.807</td>
</tr>
</tbody>
</table>

The results on table 4.4 shows that the highest mean was 1.76 which corresponds “sometimes it is difficult for the owner and the property manager to agree on what services they want and a price they are all willing to pay.” The value corresponds to the scale between 1 and 2 which indicates strongly agree and agree respectively.

The lowest mean score is 1.63, which corresponds “problems can arise when the communication between the property manager and the property owner of is not sufficient” a value which fall between 1 and 2, which indicates strongly, agree and disagree in that order.
4.3.2 Services Offered to Property Owners

This section sought to establish the various services, which property management firms offered to property owners. Table 4.5 shows the results obtained.

**Table 4.5 Services Offered to Property Owners**

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent collection</td>
<td>11</td>
<td>26.8</td>
</tr>
<tr>
<td>Record keeping and accounting</td>
<td>6</td>
<td>14.6</td>
</tr>
<tr>
<td>Property advertisement</td>
<td>11</td>
<td>26.8</td>
</tr>
<tr>
<td>All of the above</td>
<td>13</td>
<td>31.7</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results on table 4.5 shows that most of the respondents indicated that property management firms offer several services to property owners including rent collection, recording keeping and property advertisement. Other services included negotiation on the property sale, signing agreements for and behalf of the property owner, advice on property management among others.

4.3.3 Meeting the Expectations of Property Owners

This part sought to establish whether the respective property management firm met the expectations of the owners. The results obtained are as shown by table 4.6.

**Table 4.6 Meeting the Expectations of Property Owners**

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>7</td>
<td>17.1</td>
</tr>
<tr>
<td>Yes</td>
<td>34</td>
<td>82.9</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The results on table 4.6 show that 82.9% of the respondents agreed that the property management firms met the expectations of property owners while 17.1% disagreed that their property management firms met the property owners’ expectations. This results show that most of the property management firms met the expectations of the property owners. To meet the expectations of the property owners the property management firms used strategies like timely accounting and rent collection, regular property advertising and marketing, meeting deadlines and frequent communication, regular repair and property maintenance.

4.3.4 Rating of Firms Response to Owners Expectations

This section sought to establish the firms rating towards meeting the expectations of the property owners. Table 4.7 shows the results obtained

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>16</td>
<td>39.0</td>
</tr>
<tr>
<td>Good</td>
<td>17</td>
<td>41.5</td>
</tr>
<tr>
<td>Average</td>
<td>8</td>
<td>19.5</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.7 shows that 41.5% rated their firm response to the expectation of property management firms as good whereas 39% indicate it was excellent while 19.5% rated the firm response averagely. The findings indicate that the firms’ response was good.

4.4 Expectations of Tenants

4.4.1 Response to the Increasing Expectations of Tenants

This part was aimed at examining various responses to the increasing expectations of tenants by property management firms. Table 4.8 shows the results obtained
Table 4.8 Response to the Increasing Expectations of Tenants

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>S. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenants are nowadays aware of and concerned about the level of service they receive</td>
<td>1.73</td>
<td>.742</td>
</tr>
<tr>
<td>Tenants have become more demanding and require high standard of service quality in property management</td>
<td>1.73</td>
<td>.775</td>
</tr>
<tr>
<td>Property managers should understand and fulfill customers’ requirements and to protect the residents’ interest.</td>
<td>1.71</td>
<td>.844</td>
</tr>
<tr>
<td>Outstanding tenants’ service means meeting and anticipating the tenant needs.</td>
<td>1.61</td>
<td>.666</td>
</tr>
<tr>
<td>Property manager should endeavor to give tenants concession on the terms of rent collection</td>
<td>1.66</td>
<td>.693</td>
</tr>
</tbody>
</table>

The results on table 4.8 indicate that the highest mean value is 1.73, which corresponds to “tenants are nowadays aware of and concerned about the level of service they receive” and “tenants have become more demanding and require high standard of service quality in property management”. The mean value fall between 1 and 2, which indicates strongly agree and agree respectively. On the other hand, the least mean value is 1.61, which corresponds to “outstanding tenants’ service means meeting and anticipating the tenant needs” a value which fall between 1 and 2 hence an indication of strongly agree and agree respectively.

4.4.2 Services Offered to Tenants

This section sought to establish the various services, which property management firms offered to tenants. Table 4.9 shows the results obtained
Table 4.9 Services Offered to Tenants

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protecting residents interests and privacy</td>
<td>4</td>
<td>9.8</td>
</tr>
<tr>
<td>Providing safe and secure environment</td>
<td>11</td>
<td>26.8</td>
</tr>
<tr>
<td>Repair and property maintenance</td>
<td>9</td>
<td>22.0</td>
</tr>
<tr>
<td>All of the above</td>
<td>17</td>
<td>41.4</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The result on table 4.9 shows that most of the respondents agreed that property management firms offer various services to tenants including protecting residents’ interests and privacy, providing safe and secure environment and repair and property maintenance. Other services which were suggested included delivery of quality services, cleaning and maintenance of hygiene, advice and updating tenants on any new services.

4.4.3 Meeting the Expectations of Tenants

This section sought to establish whether the respective property management firm met the expectations of the tenants. The results obtained are as shown by table 4.10.

Table 4.10 Meeting the Expectations of Tenants

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>9</td>
<td>22.0</td>
</tr>
<tr>
<td>Yes</td>
<td>32</td>
<td>78.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Table 4.10 shows that 78% of the respondents indicated that their firm met their tenants’ expectations while 22% disagreed hence an indication that most of the firms met their tenants’ expectations.

### 4.4.4 Rating of Firms Response to Tenants

This section sought to establish the firms rating towards meeting the expectations of the tenants. Table 4.11 shows the results obtained

**Table 4.11 Rating of Firms Response to Tenants**

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>20</td>
<td>48.8</td>
</tr>
<tr>
<td>Good</td>
<td>16</td>
<td>39.0</td>
</tr>
<tr>
<td>Average</td>
<td>5</td>
<td>12.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The findings on table 4.11 show that 48.8% of the respondents rated their firms’ response to the expectation of tenants as excellent whereas 39% indicated that it was good while 12.2% rated their firms’ response as average. This finding indicates that most of the firms’ response to the expectations of tenants was excellent.

### 4.5 Expectations of Authorities

#### 4.5.1 Response to the Increasing Expectations of Authorities

This section sought to examine various responses to the increasing expectations of tenants by property management firms. Table 4.12 shows the results obtained

**Table 4.12 Response to the Increasing Expectations of Authorities**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>S. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property management firms go through certain formalities associated with the incorporation of the company</td>
<td>1.59</td>
<td>.706</td>
</tr>
</tbody>
</table>
Property management firms should conduct business activities with knowledge of and in compliance with all the applicable laws and regulations. | 1.49 | .637 |

Property managers should be familiar with laws concerning real estate licensing, contracts, agency, property protection and tenant/landlord relationships. | 1.61 | .703 |

Property management firms are also bound to professionalism and the upholding of professional ethics. | 1.76 | .799 |

Property management firms must follow various rules and regulations concerning public health, building safety and town planning. | 1.76 | .799 |

The results on table 4.12 indicates that the highest mean value is 1.76 which corresponds to “property management firms are also bound to professionalism and the upholding of professional ethics” and “property management firms must follow various rules and regulations concerning public health, building safety and town planning.” As such, the mean value fall between 1 and 2, which indicates strongly agree and agree respectively. On the other hand, the least mean value is 1.49, which corresponds “property management firms should conduct business activities with knowledge of and in compliance with all the applicable laws and regulations.” a value which falls between 1 and 2 an indication of strongly agree and agree respectively.

**4.5.2 Obligations Fulfilled to Authorities**

This section sought to establish the various obligations, which property management firms had to fulfill to various authorities. Table 4.13 shows the results obtained.

**Table 4.13 Obligations Fulfilled to Authorities**

<table>
<thead>
<tr>
<th>Obligation</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm registration and adherence of laws</td>
<td>5</td>
<td>12.2</td>
</tr>
<tr>
<td>Filling tax returns and the payment of taxes</td>
<td>8</td>
<td>19.5</td>
</tr>
</tbody>
</table>
The results on table 4.13 show that most of the respondents acknowledged that property management firms fulfill different obligations to various authorities. The most suggested obligations included paying rates to local authorities, filling tax returns and the payment of taxes, firm registration and adherence of laws, observing professional ethics and paying for different licenses.

### 4.5.3 Meeting the Expectations of Authorities

This part sought to establish whether the respective property management firm met the expectations of various authorities. The results obtained are as shown by table 4.14.

**Table 4.14 Meeting the Expectations of Authorities**

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>10</td>
<td>24.4</td>
</tr>
<tr>
<td>Yes</td>
<td>31</td>
<td>75.6</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results on table 4.14 indicate that 75.61% of the respondents indicated that their firms met the expectation of various authorities while 24.39% disagreed that their firms meet the expectations of authorities. This indicates that property management firms do meet the expectations of various authorities. To meet the expectations of authorities the
respondents indicated they applied strategies like regular review of laws and regulations, payment of rates, taxes and licenses on time and obeying all the relevant laws.

4.5.4 Rating of Firms Response to Authorities

This section sought to establish the firms rating towards meeting the expectations of various authorities. Table 4.15 shows the results obtained

Table 4.15 Rating of Firms Response to Authorities

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>15</td>
<td>36.6</td>
</tr>
<tr>
<td>Good</td>
<td>17</td>
<td>41.5</td>
</tr>
<tr>
<td>Average</td>
<td>9</td>
<td>22.0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results on table 4.15 show that 41.5% of the respondents rated their firm response to the expectation of authorities as good whereas 36.6% rated their response as excellent while 22% rated their firm averagely. On average, this finding indicates that the firms’ response to the expectations of authorities was good.

4.5.5 Challenges faced by Property Management Firms

This section sought to identify the various challenges faced by property management firms in meeting the increasing expectations of various parties. Some of the suggested challenges included tenant problems and late rent payment, marketing and financial constraints, destruction of property by tenants, tribalism, negative attitude toward property management firms and insecurity. Other suggested challenges included lack of knowledge and high operating costs.

4.6 Chapter Summary

This chapter provided the research findings as per the research objectives. The chapter presented the response rate, the respondents profile and the finding on the expectations of property owners, tenants and authorities by property management firms. The findings
have been presented in form of table and pie charts. Chapter 5 provides a summary of the study findings, discussions, conclusions and finally the study recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, the study discussions and conclusions as per the study objectives. In addition, the chapter presents recommendation for improvements and recommendation for further studies.

5.2 Summary

This study sought to investigate the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya. The study was guided by the following specific objectives; to examine the responsiveness of property management firms to the increasing expectations of property owners, to investigate the responsiveness of property management firms to the increasing expectations of tenants and finally to study the responsiveness of property management firms to the increasing expectations of authorities in Kenya.

The study employed a descriptive research design and the population was made of the 5 property management firms in Juja town. The sampling frame comprised all the employees of the 5 property management firms in Juja town and stratified random sampling was used to divide the population into two strata’s comprising of the management and non-management staff. In addition, the study carried out a census of the 5 property management firms and all the 45 employees in those firms. Data for the study was collected using questionnaires, which were self administered to the sampled respondents. Finally, the data collected was analyzed using descriptive and inferential statistics with the help of the statistical package for social studies.

A response rate of 91.1% was achieved and was considered adequate. The findings on the respondents profile established that 68% of the respondents comprised of the non-management staff hence the non-management staff were most of the respondents. In addition, the findings revealed that 58% of the respondents were male and most of them had worked for more than 5 years. Additionally, majority of the respondents were college and university graduates.
The findings on the response to the increasing expectations of property owners revealed that sometimes it was difficult for the owner and the property manager to agree on what services they want and a price they are all willing to pay with a mean value of 1.76. The findings also revealed that problems do arise when the communication between the property manager and the property owner of is not sufficient with a mean value of 1.68. In addition, the study revealed that property management firms offer several services to property owners including rent collection, recording keeping and property advertisement, negotiation on the property sale, signing agreements for and behalf of the property owner, advice on property management among others. Further, 82.9% of the respondents agreed that most of the property management firms met the expectations of the property owners and to meet the expectations of the property owners the property management firms used strategies like timely accounting and rent collection, regular property advertising and marketing, meeting deadlines and frequent communication, regular repair and property maintenance.

On the response to the increasing expectations of tenants, the study findings established that tenants are more aware and concerned about the level of service they receive and that tenants have become more demanding and require high standard of service quality in property management with mean values of 1.73 respectively. In addition, the study findings established that outstanding tenants’ service means meeting and anticipating the tenant needs with a mean value of 1.61 and that property management firms offer various services to tenants including protecting residents’ interests and privacy, providing safe and secure environment and repair and property maintenance. Other services which where suggested included delivery of quality services, cleaning and maintenance of hygiene, advice and updating tenants on any new services. Moreover, the findings revealed that 78.1% of the firms met their tenants’ expectations and that most of the firms’ response to the expectations of tenants was excellent.

The findings on the response to the increasing expectations of authorities established that property management firms are also bound to professionalism and the upholding of professional ethics and must follow various rules and regulations concerning public health, building safety and town planning as shown by the mean values of 1.76 respectively. As such, the findings revealed that property managers should be familiar
with laws concerning real estate licensing, contracts, agency, property protection and tenant/landlord relationships with a mean value of 1.49. Additionally, the study revealed 75.6% of the property management firms fulfill various obligations to various authorities including paying rates to local authorities, filing tax returns and the payment of taxes, firm registration and adherence of laws, observing professional ethics and paying for different licenses. Further, the study established that most of the property management firms do meet the expectations of various authorities and to meet the expectations of authorities they employed strategies like regular review of laws and regulations, payment of rates, taxes and licenses on time and obeying all the relevant laws. Finally, the findings established that most of the firms’ response to the expectations of authorities was good.

5.3 Discussion

This part presents a discussion of the study findings as per the study objectives and also linking the findings with past studies on the topic.

5.3.1 Response to the Increasing Expectations of Property Owners

The study found that there were difficulties for the owner and the property manager to agree on what services they want and a price they are all willing to pay and problems arose when the communication between the property manager and the property owner of is not sufficient. This finding conforms to that of the Office of Fair Trading, (2009) which established that problems could also arise where the communication between the property manager and the owners of the shared property is not sufficient. Moreover, the study revealed that sometimes it was difficult for the owner and the property manager to agree on what services they want and a price they are all willing to pay. This finding similar to that of Office of Fair Trading (2009) that the owner and the property manager may fail to agree what services they want and a price they are all willing to pay.

The study findings also found that property owners have a greater concern on whether their property is managed professionally by a property management firm. Similarly, Kwan (2004) found that most of the property owners have a greater concern on whether their property is managed by a professional property management company or not. Further, the study established that owners are very concerned on the financial management and that property owner’s desire that their property is efficiently and
economically maintained and managed. This finding conforms to that of MacDonald (2011) from the property owner’s point of view, it is desirable that the properties should be as efficiently and economically maintained and managed as possible.

The findings of the study found that property management firms offer several services to property owners including rent collection, recording keeping and property advertisement. Other services included negotiation on the property sale, signing agreements for and behalf of the property owner, advice on property management among others. In similar to these findings are the findings of Coalition Homes (2009) that the property manager is responsible for the day-to-day management of the property, including maintenance, tenant screening, leasing, rent collection, fiscal management, funder compliance reporting, and other responsibilities. Esway et al. (2014) also posited that property management firms carry out pricing for owner-managed properties and offer services like lease extensions, rent collection enforcement, property inspection, eviction, court preparation and appearance.

The study findings revealed property management firms do meet the expectations of the property owners and use strategies like timely accounting and rent collection, regular property advertising and marketing, meeting deadlines and frequent communication, regular repair and property maintenance and the findings indicate that the firms’ response was good. This finding is similar to that of Baharum et al. (2009) that proper property management involves organizing an efficient system as well as directing, coordinating and controlling all the skills available towards maximizing income from a property and at the same time ensuring maximum protection through proper upkeep and maintenance.

5.3.2 Response to the Increasing Expectations of Tenants

The study found that tenants are nowadays aware of and concerned about the level of service they receive and are more demanding and require high standard of service. The study findings also established that outstanding tenants’ service means meeting and anticipating the tenant needs. In similar to these findings are the findings of Baharum et al. (2009) who established that tenants are nowadays aware of and concerned about the level of service they receive and the requirement for high standard of service quality in property management has grown because tenants have become more demanding. Tang
(2008) also recommended that a professional property manager should also be competent in the maintenance of the estates in an economically and effective way, provide quality management services towards residents and fulfill their expectations.

Additionally, the findings of the study found that property managers should understand, fulfill customers’ requirements and protect the tenants’ interest. As such, Baharum et al. (2009) suggested that property managers must be able to create lasting tenant relationships, achieve the highest level of tenant satisfaction and retention, and able to combine industry knowledge with their business acumen. Crista (2005) also suggests that it is essential for the property management companies to know the ways to address these new challenges by delivering a constant level of service such that property management has to include both the technical aspect of building maintenance so called hardware and the human aspect of interacting property managers and residents.

The findings of the study also established that a property manager should endeavor to give tenants concession on the terms of rent collection. This is finding is tandem to that of Tang (2008) which suggested that property managers should understand customers’ requirements and it is required the management staff to concern on the residents’ problems, to fulfill the residents’ requirements, to protect the residents’ interest including the privacy rights, etc. The finding also agrees with that of Chin and Poh (1999) which recommends that due to the increase in expectations of tenants and the growth in the economy, there is a growing awareness of the need among buildings owners, professionals, and the authorities to raise the standard of property management practice.

The study also found that property management firms offer various services to tenants including protecting residents’ interests and privacy, providing safe and secure environment and repair and property maintenance. Other services established by the study included delivery of quality services, cleaning and maintenance of hygiene, advice and updating tenants on any new services. This finding conform to that of Kwan (2004) who established that in order to satisfy customers’ expectation, property management firms have to try their best endeavor to fulfill the need of residents, understand what they want and recognize the effective way to deliver quality service to sustain its survival in this competitive market.
The study finding revealed that majority of the property management firms met the expectation of their tenants using various strategies like providing quality management services, fixing appropriate rent, carrying out feasibility and viability studies to be able to know housing needs, interacting with resident and providing professional and quality services. Others include, understand customers’ requirements, understanding tenants’ rights and obligations and creating lasting tenant relationships. As such, Sani and Gbadegesin (2015) suggested that property managers should also endeavor to advise at the instance of clients on the need to carry out feasibility and viability studies to be able to know housing need and what to fix as rent eventually.

5.3.3 Response to the Increasing Expectations of Authorities

The study found that property management firms are also bound to professionalism and must follow various rules and regulations concerning public health, building safety and town planning. The study also found that property managers are familiar with laws concerning real estate and property management. This finding is similar to that of ODCE, (2008) property managers like others managers are bound by general laws for example the laws of contract, the law of agency and negligence and consumer protection laws which is concerned with misleading and deceptive conduct. The study findings revealed that property management firms go through certain formalities associated with the incorporation of the company. In similar to this finding ODCE (2008) acknowledges that property management firms and go through certain formalities associated with the incorporation of the company, they bring into being a new legal person, which in its own corporate name can hold land, enter into contracts and embark on legal proceeding.

The findings of the study established that property management firms should conduct business activities with knowledge of and in compliance with all the applicable laws and regulations. Similarly, Mwangi (1997) suggested that the management of a property management company and its employees should conduct business activities with knowledge of and in compliance with all applicable laws and regulations. In addition Legalzoom (2008) argued that property managers must also be familiar with laws concerning real estate licensing, contracts, agency, fair housing, employment, property protection, and tenant/landlord relationships.
In addition, the study findings revealed that property management firms must follow various rules and regulations concerning public health, building safety, consumer safety and town planning. As such, Legalzoom (2008) concurred that property management firms must follow various rules and regulations concerning public health, building safety and town planning. As such, rental homes must be properly maintained as per the set by-laws in order to preserve the value of the property and to maintain a positive relationship with the residents. In addition, the Competition and Markets Authority (2014) also posits that as well as the provisions of property law, businesses engaging in property management services, and advertising properties to which property management services will be supplied, such as estate agents and property developers, may be subject to the provisions of consumer law.

The study found that some of the obligations property management firms meet to various authorities includes paying rates to local authorities, filling tax returns and the payment of taxes, firm registration and adherence of laws, observing professional ethics and paying for different licenses. This finding agrees a preposition by Mwangi (1997) that when a property management company is formed as a sole proprietorship, partnership, corporation, or other legal entity, each of which has its own revenue and tax implications, all legal requirements should be followed.

The study also revealed that to meet the expectations of authorities property management firms applied strategies like regular review of laws and regulations, payment of rates, taxes and licenses on time and obeying all the relevant laws. This finding is similar to that of Kwan (2004) who posits that the various measures employed by property management firms promotes the demands of the concerted efforts of building owners, tenants, managers and other parties to work and co-ordinate with each other in order to enhance the standard of property management. Kwan (2004) further states that the regulations help owners in managing their properties and to promote the sense of belonging and responsibility among residents and to promote better security, better environment and more effective management within the building.
5.4 Conclusions

5.4.1 Response to the Increasing Expectations of Property Owners

The study established that property management firms do meet the expectations of the property owners and employ various strategies like timely accounting, and rent collection, regular property advertising and marketing, meeting deadlines and frequent communication. In addition, study found that property management firms offer several services to property owners including rent collection, recording keeping and property advertisement. However, difficulties for the owner and the property manager on what services they want and a price they are all willing to pay and miscommunication between the property manager and the property owner leads to problem. Thus, the study concludes that property management firms use various strategies to meet the increasing expectations of the property owners and meeting property owners’ expectations is of benefit to the property owner and the property management firm.

5.4.2 Response to the Increasing Expectations of Tenants

The study revealed that property management firms offer various services to tenants including protecting residents’ interests and privacy, providing safe and secure environment and repair and property maintenance. In addition, the study revealed that property management firms offer various services to tenants including protecting residents’ interests and privacy, providing safe and secure environment and repair and property maintenance. As such, the study found that tenants are more aware and are concerned about the level of service they receive. Thus, the study concludes that outstanding tenants’ service means meeting and anticipating the tenant needs and is beneficial to both the tenants and the property management firm.

5.4.3 Response to the Increasing Expectations of Authorities

The study findings revealed that to meet the expectations of authorities property management firms applied strategies like regular review of laws and regulations, payment of rates, taxes and licenses on time and obeying all the relevant laws. In addition, the
study found that property management firms are also bound to professionalism and that property managers are familiar with laws concerning real estate and property management. Thus, the study concludes that obligations property management firms meet to various authorities includes paying rates to local authorities, filling tax returns and the payment of taxes, firm registration and adherence of laws, observing professional ethics and paying for different licenses and are bound by professionalism and ethics.

5.5 Recommendations

5.5.1 Recommendations of the Study

5.5.1.1 Response to the Increasing Expectations of Property Owners

The findings of the study revealed that property management firms offer several services to property owners including rent collection, recording keeping and property advertisement. However, disagreement between the property manager and owner and miscommunication leads to problems. Thus, the study recommends that property management firms should continually revise the strategies they employ to meet the increasing expectations of the property owners and ensure frequent communication as this will reduce conflicts and maximize benefits to both the property owners and the property management firm.

5.5.1.2 Response to the Increasing Expectations of Tenants

The findings of the study revealed that tenants are nowadays aware of and concerned about the level of service they receive and are more demanding and require high standard of service. Thus, the study recommends that property management firms should strive to meet outstanding tenants’ services and tenant needs, as this will ensure that conflict between property management firms and tenants and the property management firms.

5.5.1.3 Response to the Increasing Expectations of Authorities

The findings of the study revealed that property management firms are bound to professionalism and must follow various rules and regulations concerning public health, building safety and town planning. Thus, the study recommends that property managers
should be familiar with laws concerning real estate, property management, laws of contract, the law of agency and negligence and consumer protection laws as this will ensure they will abide to all the existing rules and regulations governing the sector.

5.5.2 Recommendations for Further Studies

The aim of this study was to examine the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya. The study focused on the response to the expectations of property owners, tenants and authorities. Thus, this study recommends further research on the effectiveness of the responsive strategies used by property management firms to meet the increasing expectations in the property management sector in Kenya. In addition, the chapter recommends an examination of the challenges facing property management firms in Kenya.
REFERENCES


APPENDICES

Appendix I: Introduction Letter

To Whom It May Concern

REF: RESEARCH STUDY

I am a student at United States International University pursuing a degree in Master of Business Administration degree. As partial fulfillment for the award of the degree, I am caring out a research on the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya with focus to property management firms in Juja town.

You and other respondents have been selected to take part in the research. Please note that any information you will give be treated with utmost confidentiality and will only be used for academic purposes only. Your assistance and cooperation will be highly appreciated. I look forward to your prompt response.

Yours Faithfully,

John Eric Gitonga

0721210316
Appendix II: Questionnaire

Dear Respondent,

The purpose of this questionnaire is to examine the responsiveness of property management firms to the increasing expectations in the property management sector in Kenya with focus to property management firms in Juja town. Please tick and fill where appropriate.

Section I: Background Information

1. Please indicate your job category:
   - Management staff [ ]
   - Non Management staff [ ]

2. Please indicate your gender:
   - Male [ ]
   - Female [ ]

3. For how long have you worked with your firm?
   - Below 5 years [ ]
   - 6-10 years [ ]
   - 11 – 15 years [ ]
   - Over 16 years [ ]

4. Educational status:
   - Graduate [ ]
   - College [ ]
   - Secondary [ ]
   - Others [ ]

Section II: Expectations of Property Owners

5. Evaluate the following statements on response of the increasing expectations of property owners: Use the following scale where appropriate

   1-Strongly agree   2- Agree   3 – Neutral   4- Disagree   5- Strongly Disagree
<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property owners have a greater concern on whether their property is managed professionally by a property management firm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property owner’s desire that their property is efficiently and economically maintained and managed as possible</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Problems can arise when the communication between the property manager and the property owner of is not sufficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sometimes it is difficult for the owner and the property manager to agree on what services they want and a price they are all willing to pay</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Owners are very concerned on the financial management and carry out a tighten control on the financial management towards the property management company</td>
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6. Please indicate the services, which a property management firm offers to property owners

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7. Does your firm meet the expectations of the property owners?

Yes [ ]  No [ ]

If yes above, please indicate some of the strategies your firm uses to meet the expectations of the property owners

…………………………………………………………………………………………
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8. How would you rate your firm response to the expectations of property owners?

   Excellent [ ]    Good [ ]    Average [ ]    Poor [ ]

Section III: Expectations of Tenants

9. Evaluate the following statements on response of the increasing expectations of tenants: Use the following scale where appropriate

   1-Strongly agree  2- Agree  3 – Neutral  4- Disagree  5- Strongly Disagree

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<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>Tenants are nowadays aware of and concerned about the level of service they receive</td>
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<td>Tenants have become more demanding and require high standard of service quality in property management</td>
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<td>Property managers should understand and fulfill customers’ requirements and to protect the residents’ interest.</td>
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<td>Outstanding tenants’ service means meeting and anticipating the tenant needs.</td>
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<td>Property manager should endeavor to give tenants concession on the terms of rent collection</td>
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</table>

10. Please indicate the services, which a property management firm offers to tenants

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   ………………………………………………………………………………………………………………………

11. Does your firm meet the expectations of tenants?

   Yes [ ]    No [ ]

   If yes above, please indicate some of the strategies your firm uses to meet the expectations of tenants.
12. How would you rate your firm response to the expectations of tenants?

Excellent [ ] Good [ ] Average [ ] Poor [ ]

Section IV: Expectations of Authorities

13. Evaluate the following statements on response of the increasing expectations of authorities: Use the following scale where appropriate

1-Strongly agree  2- Agree  3 – Neutral  4- Disagree  5- Strongly Disagree

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<tr>
<th>Statement</th>
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<td>Property management firms go through certain formalities associated with</td>
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<td>the incorporation of the company</td>
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<td>Property management firms should conduct business activities</td>
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<td>with knowledge of and in compliance with all the applicable laws and</td>
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<td>regulations</td>
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<tr>
<td>Property managers should be familiar with laws concerning real estate</td>
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<td>licensing, contracts, agency, property protection and tenant/landlord</td>
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<td>relationships</td>
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<td>Property management firms are also bound to professionalism and the</td>
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<td>upholding of professional ethics</td>
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<td>Property management firms must follow various rules and regulations</td>
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<td>concerning public health, building safety and town planning.</td>
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14. Please indicate the obligation, which property management firms should fulfill to authorities

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15. Does your firm meet the expectations of authorities?

Yes [ ] No [ ]

If yes above, please indicate some of the strategies your firm uses to meet the expectations of various authorities.

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16. How would you rate your firm response to the expectations of various authorities?

Excellent [ ] Good [ ] Average [ ] Poor [ ]

17. Please indicate the challenges your firm faces in meeting the expectations of increasing expectations in the property management sector

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Thank you for your time and cooperation