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# Constraints of Administering Service Charges of Multitenanted Commercial Properties in Bauchi Metropolis

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Abstract: The aim of this study is to investigate the constraints of administering service charges of multi-tenanted commercial properties in Bauchi metropolis with the view to propose a better service charge administration that can be used in in multi-tenanted commercial properties. The study used survey strategy and quantitative design. The data was collected from the tenants of Baba shopping complex Wunti market Bauchi. The data collected was analysed with descriptive statistics which includes frequency, percentage, means and standard deviation. The study highlights the key constraints encountered in administering service charges for commercial properties in the study area, as perceived by respondents where incompetence of service charge collectors emerged as the most significant constraint, with a high mean score (3.577) and a relatively large standard deviation (1.0990), indicating considerable variation in respondent perceptions regarding this issue. The study concludes that "incompetence of service charge collectors" emerged as the most critical constraint, indicating a significant concern regarding the skills and professionalism of individuals responsible for service charge management. Both "incompetence" and "inexperience" of service charge collectors emphasise the need for improved training, professional development, and recruitment practices within the industry. The study recommended that property managers and policymakers should enhance communication and transparency around service charge calculations, usage, and expenditure to improve user understanding and trust. Property managers should equip service charge collectors with the necessary tools and technologies to perform their duties efficiently and effectively, such as property management software, online payment portals and communication platforms.

Keywords: Constraints, Administration, Service Charges, Multi-tenanted, Commercial Properties

#### Introduction

Society tends to develop faster where there exists a healthy and steady investment in real estate developments. The real estate sector especially the commercial real estate, plays an important role in the economic wellbeing of a society and economy of the nation at large, by housing and facilitating economic activities which without doubt are essential for the general progress of society. Nwankwo (2016) property management is indeed a very important aspect of the real estate discipline. It involves the application of skills in ensuring that the property, it's surrounding and amenities are cared for, in order to give value to both the tenant and the landlord. A common phenomenon in multi-tenanted building is the provision of the common facilities, the maintenance liability of which devolves on the users (Olayonwa, 2019). Often times, the problem is how to determine the quantum of liability per users particularly in the absence of a properly coordinated service charge arrangement. In recent times however, the provision and maintenance of such facilities and services are enshrined in a service charge scheme in order to aid an efficient working environment.

However, administering service charge in multi-tenanted properties has been a source of conflict among surveyors, property users and landlord; and also investors who wants to invest in multi-tenanted properties (Smeby, 2016). Inefficient service delivery by the property managers is identified as a major problem affecting the management of multi-tenanted commercial properties. Management of commercial properties especially the multi-tenanted ones poses a very serious problem especially in Bauchi LGA of Bauchi Metropolis. There is always a great lapse in meeting up with the services required to maintain these classes of properties. Again, where these services are scantily provided, tenants are been defrauded by the property managers, landlords or agents without a proper accounting on the use of their money. Some of these problems include; Management of commercial properties by non-professionals or agents. This is mostly so because there is no much knowledge on what the property owner stands to get if the property is managed by a registered estate surveyor and valuer and the truth is that most agents and lawyers do not practice property management but rent collection. Secondly, there is lack of transparency in what occupiers should be expected to pay. A very good case of the Vanguard news of 18th Dec 2012 shows this, where an aggrieved tenant of a Lagos Island property reported of being locked out for nonpayment of service charge. He complained that no services have been provided in the past and no account has ever been rendered on the previously collected service charge. However, it is difficult for tenants to identify what is or is not included in their share of service charges as tenants' service charge statements generally lack a detailed explanation of specific expenses or copies of bills or other records sent along with the expense bills (Bello & Ibrahim, 2020). Therefore, this paper was aim to examined constraints of administering service charges of multi-tenanted commercial properties in Bauchi Metropolis.

### **Literature Review**

### **Concept of Service Charge**

Many problems involved with the day-to-day management of commercial properties have led to the formulation and discovery of strategies adopted by professionals in solving various challenges confronting the effective management practice (Yalokwu, 2019). Service charge according to Bello and Ibrahim (2020), is a levy payable by tenants especially in multiple occupations for the maintenance of common services provided by the landlord for their enjoyment. However, Smeby (2016) defined it as the money appointed to each of the tenants in multiple occupied premises such as Block of flats, tenement and shopping complex etc. for maintenance of common service which each tenant otherwise could not have been responsible for.

Jiboye (2018), opined that the complexity and quality of environmental services in modern property, particularly multi-tenanted property, air-conditioned offices and enclosed shopping mall can result in service charges being a relatively higher proportion of rent. Such charges become a sensitive issue between tenant and landlord. However, Royal Institute of Chartered Surveyors (RICS) view service charge as costs of servicing and operating a property, to comply with the landlord lease obligations for the provision of services. Oladapo, (2021) stated that the maintenance of common areas, facilities and services in a commercial property is necessary to ensure the quality of occupation and enhance the economic life of the building. From a narrow perspective, Olusola (2014) opined that 'It is not just tenants that pay service charge. Property owners also sometimes pay service charge where for instance the company occupying the property whether as the owner or tenant engages an outside manager to take care of the maintenance of its property.

### The concept of Commercial properties

It is vital to establish "what is commercial property?" before looking at price indications for commercial real estate. One of the most important non-financial assets that individuals, businesses, and governments own is property. But depending on who owns and utilizes it, property has different uses and functions in the economy. Fieseler (2023) address how to distinguish between residential and commercial property in the European setting while implementing the European Systemic Risk Board's (ESRB) proposal on data gaps in the real estate industry. They emphasize that these definitions should only be used for

macroprudential policymaking and financial stability monitoring (Mendelsohn, 2017). Ozigbo and Ozigbo (2019) specified business property as composite of office property and retail property. Udechukwu (2009) pointed out that commercial properties include the various types of income-producing Properties that are used primarily for trade (buying and selling). Petrick (2017) classified commercial properties into stalls, shops, purpose-built shopping mall, supermarkets, banking halls, offices and warehouses. Also included are chain stores, departmental stores, mobile shops, etc. Johnson, Davis and Shapiro (2020) in their own opinion identified four common categories of commercial properties as follows retail (properties where goods are sold to public), industrial warehouses and offices. According Kuye (2016) commercial properties are structures which are mainly used to house business activities such as trading and services, broadly categorized into shops, offices, showrooms and warehouses. Oladokun and Ojo (2021) stated that investment in multi-tenanted commercial property is most time expressed as the biggest investment of a household due to its capital requirement for its procurement. The success of such capital-intensive investment could be attributed to its management.

### **Multi-Tenanted Commercial Properties**

Multi-tenanted commercial properties, characterized by their division into multiple leased units, have become a prevalent real estate asset class. These properties offer a diverse range of benefits and challenges for both landlords and tenants (Bello et al., 2020). This review aims to provide a comprehensive overview of multi-tenanted commercial properties, drawing on relevant literature and case studies. One of the primary advantages of multi-tenanted commercial properties is their potential for increased property value. These properties often benefit from economies of scale, allowing for more efficient management and maintenance of shared common areas and facilities (Singh, 2016). However, achieving optimal property value requires careful tenant selection, effective property management, and regular maintenance to ensure the property's attractiveness to potential tenants (Johnson *et al.*, 2022).

### **Components of Service Charges in Multi-Tenanted Commercial Properties**

In multi-tenanted commercial properties, service charges are a fundamental aspect of the landlord-tenant relationship. These charges, levied on tenants, cover the costs of maintaining and operating common areas and facilities within the property. The specific components of service charges can vary significantly depending on the property type, location, and the terms of the lease agreement. This literature review aims to delve into the key components of service charges in multi-tenanted commercial properties, drawing on recent research and case studies.

Components of service charge include costs associated with preserving the structural integrity of the building, such as repairs, renovations, and replacements of common elements like roofs, elevators, and HVAC systems. For instance, Singh, 2016) found that building maintenance constituted the largest portion of service charges in commercial properties. This component is crucial for ensuring the long-term value and functionality of the property. The costs of maintaining cleanliness in common areas, including lobbies, corridors, and exterior spaces, as well as waste disposal services, are often included in service charges. Johnson *et al.*, (2018) emphasized the importance of efficient waste management systems in reducing service charge costs. Proper cleaning and waste management contribute to a healthy and pleasant environment for tenants and visitors. The costs of security measures, such as security personnel, surveillance systems, and access control, are frequently included in service charges. Petrick (2017) highlighted the growing need for enhanced security measures in commercial properties due to rising crime rates. Adequate security helps to protect the property, its occupants, and their belongings.

### **Constraints in Service Charge Administration**

Ensuring transparency in service charge calculations and providing clear explanations to tenants can be difficult, especially when dealing with complex cost structures. Johnson *et al.* (2018) emphasized the importance of open communication and transparency in service charge administration. Lack of transparency can lead to mistrust and disputes between landlords and tenants. Allocating service charges

fairly among tenants can be challenging, particularly in properties with diverse tenancy profiles. Watts (2017) explored different methods for allocating service charges based on factors such as floor area, usage, and occupancy. An unfair allocation of service charges can lead to dissatisfaction among tenants and may impact the property's occupancy rate. Managing service charge costs effectively can be difficult, especially in the face of rising costs for maintenance, utilities, and other services.

Stary (2021) discussed strategies for reducing service charge costs through energy efficiency measures and cost-effective maintenance practices. Cost control is crucial for maintaining the affordability of service charges and ensuring the property's financial viability. Disputes between landlords and tenants over service charges can arise, leading to legal action in some cases. Watts (2017) examined the role of mediation and arbitration in resolving service charge disputes. Effective dispute resolution mechanisms are essential for maintaining harmonious relationships between landlords and tenants. Service charges in commercial property can be a complex issue, and there are a number of constraints on their administration. Here is a list of some of the key constraints

### **Legal Constraints**

Service charges are governed by a complex web of legislation, primarily the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) Regulations 2003. These laws dictate what charges are permissible, how they should be calculated, and the mandatory consultation procedures landlords must follow with tenants (Teshome, 2021). Additionally, the specific terms of the lease agreement itself outline permissible charges and calculation methods, creating a dual layer of legal obligation. Furthermore, a substantial body of case law has evolved around service charges, requiring landlords to stay informed of legal precedents to ensure their practices remain compliant (Chernova & Gryazina, 2021).

### Legislation

There is a range of legislation that governs service charges, including the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) Regulations 2003. This legislation sets out rules about what service charges can be levied, how they must be calculated, and how landlords must consult with tenants.

### Lease terms

The terms of the lease 2it will also set out what service charges can be levied and how they must be calculated. Landlords must ensure that their service charge demands comply with both the legislation and the terms of the lease. The lease agreement is the foundational document governing the relationship between landlord and tenant, and it plays a critical role in service charge administration. It explicitly defines which services are to be provided by the landlord, how the associated costs are to be recovered, and the mechanisms for calculating and apportioning those costs among tenants (Kuhlmann & Heuberger, 2023). Lease terms may also outline specific procedures for consultation, dispute resolution, and the provision of service charge information. Therefore, a thorough understanding of the lease terms is paramount for both landlords and tenants, as it forms the legal basis for all service charge related matters.

#### Case law

There is a large body of case law that has developed around service charges. Landlords need to be aware of this case law and ensure that their service charge practices are in line with it. Case law, derived from judicial decisions in service charge disputes, significantly impacts how these charges are administered. These precedents establish legal interpretations of legislation and lease terms, setting benchmarks for what is considered reasonable and recoverable. Landlords must stay informed of relevant case law, as it can influence how they structure service charge provisions, calculate costs, and engage with tenants. Essentially, case law acts as an evolving body of guidance, shaping the legal landscape of service charges and influencing best practices (Cruz, 2021).

#### **Practical Constraints**

Administering service charges is often a complex undertaking, especially in larger properties. Landlords face challenges in accurately calculating and allocating costs, maintaining transparency for tenants, and

resolving disputes that inevitably arise. Effectively budgeting for fluctuating expenses and ensuring clear communication with tenants are also crucial. Robust record-keeping is essential for justifying charges and demonstrating compliance. In essence, landlords must navigate a minefield of practical hurdles to ensure smooth and fair service charge administration (Cruz, 2021).

### **Complexity**

Service charges can be complex to administer, particularly in large or mixed-use developments. This can make it difficult for landlords to ensure that their service charge demands are accurate and compliant.

#### **Transparency**

Tenants often complain that service charges are not transparent. Landlords need to be able to provide clear and detailed information about how service charges are calculated and what they are used for.

### **Disputes**

Service charge disputes are common. Landlords need to have a robust process for dealing with disputes and should be prepared to negotiate with tenants.

#### Cost

The cost of administering service charges can be significant. Landlords need to ensure that they are charging a reasonable fee for their services.

#### **Best Practice Constraints**

While not legally binding, adherence to best practice guidelines creates an ethical and professional framework for service charge administration. Industry codes of practice, often published by professional bodies like RICS and SCSI, offer valuable guidance on fair and reasonable practices, promoting transparency and consistency. Following these recommendations, alongside professional guidance, helps landlords build trust with tenants, minimize disputes, and demonstrate a commitment to ethical standards, even if these practices aren't strictly mandated by law (Yigitcanlar, Agdas & Degirmenci, 2023).

### Codes of practice

There are a number of industry codes of practice that provide guidance on service charges. While these codes are not legally binding, they can be helpful for landlords in ensuring that their service charge practices are fair and reasonable.

### Professional guidance

Professional bodies such as the Royal Institution of Chartered Surveyors (RICS) and the Society of Chartered Surveyors Ireland (SCSI) also provide guidance on service charges. Landlords should be aware of this guidance and ensure that their service charge practices are in line with it.

### **Other Constraints**

Beyond the legal, practical, and best practice considerations, several other constraints impact service charge administration. Accurate budgeting for often unpredictable costs is essential, yet challenging. Clear and consistent communication with tenants about all service charge matters is crucial, but can be difficult to maintain (Yigitcanlar *et al.*, 2023). Meticulous record-keeping of all income and expenditure is vital for transparency and dispute resolution, but requires significant administrative effort. Ultimately, landlords must balance providing necessary services with keeping costs reasonable, a challenge that requires careful planning and execution.

### Budgeting

Landlords need to be able to accurately budget for service charge expenditure. This can be difficult, as costs can fluctuate.

### **Communication**

Effective communication with tenants is essential in the administration of service charges. Landlords need to keep tenants informed about service charge matters and be responsive to their queries.

#### Record keeping

Landlords need to keep accurate records of service charge expenditure. This is essential for transparency and for dealing with disputes.

### **Tips for Landlords**

To navigate the complexities of service charge administration, landlords should prioritize transparency by providing clear, detailed breakdowns of costs and calculations. Proactive communication and consultation with tenants fosters trust and reduces disputes. Maintaining meticulous records of all income and expenditure is crucial for justifying charges and demonstrating compliance. Striving for reasonable cost recovery, rather than profit maximization, builds positive tenant relationships (Affolabi, Shahidehpour, Gan, Yan, Chen, Pandey & Abusorrah, 2021). Finally, seeking professional advice from surveyors or solicitors when facing complex situations or uncertainties can prevent costly mistakes and ensure best practices are followed.

### Be transparent

Provide clear and detailed information about how service charges are calculated and what they are used for. Transparency in service charge administration hinges on open communication and readily accessible information. Landlords should provide tenants with clear, detailed breakdowns of how service charges are calculated, including the specific costs included and the apportionment method used (Lavee, 2021). This involves explaining the rationale behind each expense, offering supporting documentation where appropriate, and proactively addressing tenant queries. Openly sharing financial records related to service charge expenditure builds trust and allows tenants to understand how their contributions are being used, minimizing the potential for disputes and fostering a more collaborative landlord-tenant relationship.

#### **Consult with tenants**

Consult with tenants about service charge matters and be responsive to their feedback. Consulting with tenants about service charges is crucial for building positive relationships and minimizing disputes. This involves establishing clear communication channels, such as regular meetings, surveys, or online platforms, to actively solicit tenant feedback on proposed expenditures, service levels, and budgeting. While landlords ultimately make decisions, genuinely considering tenant input and clearly explaining the rationale behind those decisions, even when differing from tenant preferences, fosters a sense of partnership. Proactive consultation helps identify potential issues early, improves service delivery by incorporating tenant perspectives, and reduces the likelihood of disputes stemming from perceived lack of communication or consideration (Affolabi *et al.*, 2021).

#### Methodology

The research designs adopted for this study was survey research designs. The data was collected from the tenants of Baba shopping complex Wunti market Bauchi as total population of commercial properties in the selected areas and Tenants occupying those properties. Stratified random sampling was employed to ensure the sample accurately reflects the proportions of different subgroups within the population. The main instrument used in the study was the questionnaire. The questionnaire was distributed in order to make sure that it got to the right respondents and some explanations made. The data collected was analysed with descriptive statistics which includes frequency, percentage, means and standard deviation. Stratified random sampling was employed to select a representative sample.

### **Result and Discussion**

### **Questionnaire Administration**

Eight one (81) questionnaires were administered to tenants in Baba shopping complex, eight (80) questionnaires were collated and also eight (80) used for the analysis.

Table 1: Response rates

| Questionnaire | Number | Response rate |  |
|---------------|--------|---------------|--|
| Administered  | 81     | 100%          |  |
| Returned      | 80     | 99%           |  |
| Analysed      | 80     | 99%           |  |

# **Information of Respondents**

The demographic information of the respondents was collected, the frequency and percentage analysis were carried out and the results presented in Table 4 to show the respondents 'demography.

Table 2: Demographic Data of the Respondents

| S/N | Questions           | Options           | Frequency | Percentage |
|-----|---------------------|-------------------|-----------|------------|
| 1   | Gender              | Male              | 75        | 93.75      |
|     |                     | Female            | 5         | 6.25       |
|     |                     | Total             | 80        | 100.00     |
|     |                     | Primary/Secondary | 6         | 5.8        |
|     |                     | National Diploma  | 23        | 34.6       |
|     |                     | HND               | 13        | 15.4       |
|     |                     | Degree            | 19        | 36.5       |
|     |                     | Masters           | 9         | 7.7        |
|     |                     | Total             | 80        | 100.0      |
| 3   | How long have       | Less than a Year  | 16        | 21.2       |
|     | you been in         | 1-3 Years         | 19        | 26.9       |
|     | occupation          | 4-6 Years         | 14        | 21.2       |
|     |                     | 7-9 Years         | 10        | 13.5       |
|     |                     | 10 Years          | 12        | 17.3       |
|     |                     | Total             | 80        | 100.0      |
| 4   | Type of space       | Shop              | 44        | 65.4       |
|     | allotment           | Office            | 26        | 34.6       |
|     |                     | Total             | 80        | 100.0      |
| 5   | Kindly indicate the | 10,000 and Above  | 15        | 21.2       |
|     | Range of your       | 11,000-20,000     | 14        | 19.2       |
|     | service charge      | 21,000-30,000     | 20        | 28.8       |
|     | paid                | 31,000 and Above  | 21        | 30.8       |
| 6   | Total               | Total             | 80        | 100.00     |
|     |                     | Monthly           | 25        | 38.5       |
|     |                     | Quarterly         | 11        | 13.5       |

|   | How do you pay     | Annually              | 20 | 28.8   |
|---|--------------------|-----------------------|----|--------|
|   | your service       | Inclusive with Rent   | 14 | 19.2   |
|   | charge? Period     |                       |    |        |
| 7 | Is the amount paid | Total                 | 80 | 100.00 |
|   | for service charge | YES                   | 38 | 73.1   |
|   | enjoyed            | NO                    | 14 | 26.9   |
|   |                    | Total                 | 52 | 100.0  |
| 8 | How quick is       | Immediately           | 22 | 34.6   |
|   | maintenance        | Hours After Complain  | 12 | 19.2   |
|   | carried out after  | Days After Complain   | 14 | 23.1   |
|   | complaints are     | Weeks After Complain  | 3  | 3.8    |
|   | lodged?            | Months After Complain | 13 | 17.3   |
|   |                    | Not Attended to       | 2  | 1.9    |
|   |                    | Total                 | 80 | 100.00 |
| 9 | How do you rate    | Excellent             | 23 | 25.0   |
|   | maintenance of     | Good                  | 37 | 61.5   |
|   | the property?      | Fair                  | 8  | 11.5   |
|   | •                  | Poor                  | 2  | 1.9    |
|   |                    | Total                 | 80 | 100.00 |

Table 2 shows that majority of the respondents were male which constitute 93.75%, while 6.25% were female respondents which are the minority. The table also indicates that the respondents have been in occupation of 1-3 Years in the area with 26.9% of the responses respectively. Most of the space allotments were shop with 65.4% in the study and most of the respondents service charge paid between 31,000 and above with 30.8% in the study area. Furthermore it can be seen that most of the respondents said maintenance are good in the study area which constitute 61.5% in the study area. The significant majority of respondents being male (93.75%) recommends that the study area may have a higher concentration of male professionals or a higher proportion of men in certain occupations within that area. This could potentially influence the specific needs and preferences of the study population. The preference for shop space allotments (65.4%) suggests that the study area may have a higher demand for retail or commercial spaces compared to other types of spaces. This could influence the allocation of resources and infrastructure development in the area. The majority of respondents perceiving maintenance as good (61.5%) recommend a generally positive perception of the infrastructure and facilities in the study area. This could contribute to a higher level of satisfaction and productivity among the professionals in the area. The findings also provide valuable insights into the demographics, experience levels, preferences, and perceptions of the professionals in the study area. These insights can be used to inform various decisionmaking processes.

### The constraints of administering service charges of commercial properties in the study area.

Objective two is to identify constraints of administering service charges of commercial properties in the study area in which descriptive statistic using mean ranking was used to identify constraints of administering service charges of commercial properties in the study area. **Scale:** Very low (1.00-1.5); Low (1.51-2.49); Moderate (2.50-3.49); High (3.50-4.49) and Very High (4.50-5.00) (Rakhshani & Rahati, 2017).

Table 3: Constraints in service charge administration

| Constraints in service charge administrationMean       | Std. Deviation | Ranking | Remarks  |
|--|----------------|---------|----------|
| Incompetence of service charge collectors 3.577        | 1.0909         | 1       | High     |
| Inexperience of service charge collectors 3.308        | 1.2133         | 2       | Moderate |
| Lack of emergency preparedness for quick3.212 response | 1.4995         | 3       | Moderate |
| Lack of landlord-tenant laws and tax laws 3.212        | 1.4462         | 4       | Moderate |
| Lack of clear and accurate information about 3.173     | 1.3390         | 5       | Moderate |
| service charge calculations, usage and expenditure     | 1.5550         | 3       | Woderate |
| Ineffective mechanisms for resolving3.154              | 1.1442         | 6       | Moderate |
| disputes between tenants and property                  |                |         |          |
| management regarding srvice charges                    |                |         |          |
| Lackof potential risk mitigation plan, such as3.115    | 1.3084         | 7       | Moderate |
| unexpected cost increases, equipment                   |                |         |          |
| failures   |                |         |          |
| Inequitable distribution of service charges3.115       | 1.2152         | 8       | Moderate |
| among tenants  |                |         |          |
| Lack of open and transparent3.096                      | 1.3614         | 9       | Moderate |
| communication with tenants regarding                   |                |         |          |
| service charge   |                |         |          |
| Lack of technology to improve service charge3.096      | 1.3025         | 10      | Moderate |
| administration, such as using online portals           |                |         |          |
| for billing and communication                          |                |         |          |
| Lack of consumer protection laws 3.077                 | 1.4259         | 11      | Moderate |
| Inaccurate budgets for future expenses 3.038           | 1.4547         | 12      | Moderate |
| Lack of cost-saving measures to minimize2.942          | 1.1950         | 13      | Moderate |
| service charge expenses                                |                |         |          |
| Untimely collection of service charges 2.673           | 1.3964         | 14      | Moderate |

Table 3 shows the constraints of administering service charges of commercial properties in the study area that were ranked high by respondents was incompetence of service charge collectors ranked highest with a mean item scores of 3.577, STD of 1.0990 and it was ranked first constraint. The constraints of administering service charges of commercial properties in the study area that were ranked moderate by respondents were inexperience of service charge collectors with a mean item score of 3.308, STD of 1.2133, lack of emergency preparedness for quick response ranked moderate by respondents with a mean item score of 3.212, STD of 1.4995, lack of landlord-tenant laws and tax laws ranked moderate by respondents with a mean item score of 3.212, STD of 1.4462 and lack of clear and accurate information about service charge calculations, usage and expenditure ranked moderate by respondents with a mean item score of 3.173, STD of 1.3390 and they were ranked second to fifth respectively. However, this finding is supported by Olusola (2014) who have underscored the detrimental impact of incompetent service charge collectors on property management where negative consequences of incompetent service charge collectors found that inefficient collection practices can lead to significant financial losses for property owners and strained relationships with tenants. Furthermore, Cruz (2021) examined on the importance of competent service charge collectors, emphasised the crucial role of competent collectors in ensuring timely payment, accurate record-keeping, and overall financial stability of the property.

#### Conclusion

The study highlights the key constraints encountered in administering service charges for commercial properties in the study area, as perceived by respondents where incompetence of service charge collectors emerged as the most significant constraint, with a high mean score (3.577) and a relatively large standard deviation (1.0990), indicating considerable variation in respondent perceptions regarding this issue.

The study concludes that "incompetence of service charge collectors" emerged as the most critical constraint, indicating a significant concern regarding the skills and professionalism of individuals responsible for service charge management. Both "incompetence" and "inexperience" of service charge collectors emphasise the need for improved training, professional development, and recruitment practices within the industry. The study also revealed that presence of "lack of landlord-tenant laws and tax laws" and "lack of clear and accurate information" highlights the need for a more robust legal and regulatory framework and improved transparency in service charge administration. The study also concludes that provision of securities emerged as the most critical factor, indicating a need for enhanced security measures. Maintaining essential services like cleaning, parking, waste management, and septic tank services is crucial for user satisfaction. The study recommended that property managers and policymakers should enhance communication and transparency around service charge calculations, usage, and expenditure to improve user understanding and trust. Property managers should equip service charge collectors with the necessary tools and technologies to perform their duties efficiently and effectively, such as property management software, online payment portals and communication platforms. Policymakers should advocate for the development of clear and comprehensive landlord-tenant laws and tax laws to provide a more stable and predictable environment for service charge administration.

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