



## Service Charge Administration in Commercial Properties: Governance and Operational Perspectives from Banex Plaza, Abuja.

MARKSON OPEYEMI KOMOLAFE, ABIEMWENSE LYDIA KOMOLAFE  
ADEDAMOLA FISAYO AUDU, OGHENEVO JOY TONY  
University of Benin, Benin City, Nigeria

IKPEME ANTHONY ANKELI, TOLANI SAYO OLAWUYI  
Federal Polytechnic, Ede, Nigeria

GEOFFREY OGBONNA NWODO  
University of Benin, Benin City, Nigeria

**Abstract.** Service charge administration in multi-tenanted commercial properties represents a critical yet understudied dimension of property management governance in emerging markets. This study examines service charge administration at Banex Plaza, a major commercial complex in Abuja, Nigeria, using a sequential mixed-methods approach. The quantitative phase surveyed 162 tenants at the facility through systematic sampling of occupants, while the qualitative phase involved total enumeration of all five property and facilities managers (ESV1–ESV5) directly responsible for service charge administration in the plaza. Quantitative findings reveal pronounced governance deficiencies: 79 percent of tenants are not aware of the service charge components, while 82 percent do not understand how charges are apportioned. Consequently, 56.5 percent perceive administration as non-transparent and 81.5 percent deem cost allocation unfair. Service delivery dissatisfaction reaches 61.7 percent. Statistical analysis establishes a strong causal pathway wherein low awareness reduces transparency perception ( $r=0.58$ ,  $p<0.001$ ), which substantially determines service satisfaction ( $r=0.67$ ,  $p<0.001$ ). Qualitative findings illuminate underlying mechanisms: managers rely on verbal communication without documented systems, allocate charges through uniform floor-area methods without consumption metering, lack formal reserve funds for planned maintenance, and operate within fragmented regulatory environments. These constraints produce reactive rather than preventive maintenance systems and persistent tenant-

management mistrust. The study concludes that service charge governance failures stem from systemic rather than isolated deficiencies, encompassing weak information disclosure, inadequate administrative systems, operational limitations, and regulatory fragmentation. The strong transparency–satisfaction relationship suggests that improved disclosure and accountability mechanisms can substantially enhance tenant satisfaction and compliance even when services are not substantially enhanced. The study recommends structured governance reforms including digital accounting systems, utility metering, formal reserve funds, tenant engagement structures, and standardized regulatory frameworks to address interconnected governance deficiencies in commercial property management.

**Keywords:** Service Charge Administration, Transparency, Tenant Satisfaction, Cost Allocation, Commercial Real Estate, Nigeria.

### 1. Background to the Study

The expansion of multi-tenanted commercial real estate in metropolitan cities has created substantial operational and financial challenges for property management systems (Fayomi et al., 2025; Terwase et al., 2025). Shopping plazas, office complexes, and mixed-use developments depend fundamentally on coordinated maintenance of shared facilities and services to remain competitive and investment-viable. Service charge administration, defined as the

systematic collection and allocation of payments by tenants to cover repair, maintenance, insurance, management, and operation of shared property infrastructure, represents a critical governance mechanism within these environments (Terwase et al., 2025).

Contemporary property management practice emphasizes that service charges should be administered with transparency, clear cost apportionment methodologies, timely financial reporting, and meaningful stakeholder communication (Lee, 2025; Mahesh et al., 2026). This governance framework rests on the assumption that transparent information reduces information asymmetry between property managers and tenants, thereby building stakeholder confidence and enabling informed financial participation (Eboh et al., 2025). However, empirical evidence from multi-tenanted commercial properties reveals a persistent gap between these normative standards and operational reality (Terwase et al., 2025). Service charge administration remains a frequent source of dispute in property management, with governance failures including weak transparency in budgeting processes, unclear cost allocation methods, and inadequate financial reporting (Lee, 2025). These deficiencies are particularly pronounced in developing contexts where institutional oversight is limited and regulatory frameworks remain less formalized (Sukare & Usman, 2026a, 2026b).

The distinction between residential and commercial property contexts is materially important. Commercial tenants operate revenue-generating businesses and therefore require predictable operational costs and transparent cost allocation to sustain profitability. Unlike residential contexts, where regulatory frameworks and professional standards are comparatively mature, commercial property management in emerging markets operates within fragmented institutional environments (Milligan et al., 2017). In many emerging real estate markets, regulatory oversight of commercial property management is comparatively weak, and variations in documentation practices, limited stakeholder engagement, and inconsistent financial reporting persistently undermine trust in service charge administration processes (Nnajifor & Udobi, 2025). Research from emerging African markets demonstrates that institutional capacity constraints, inadequate digitalization of financial management systems, and limited professional oversight contribute substantially to governance deficiencies in property management (Adeniran et al., 2021; Fayomi et al., 2025).

Economic volatility further compounds these governance challenges (Olayemi et al., 2025). Rising inflation, energy costs, and security expenditures increase operational expenses, which are typically passed to tenants through service charge adjustments. The impact of macroeconomic pressures on property operations is particularly acute in emerging markets, where sudden cost escalations create communication pressures that property management firms struggle to manage (Yulfajar et al., 2025). Where cost escalations occur without transparent justification or commensurate service improvements, tenant resistance increases substantially (Terwase et al., 2025). Thus, service charge administration intersects multiple dimensions: technical cost management, governance structures, operational efficiency, and stakeholder relationship management (Awoonor, 2025; Eboh et al., 2025).

Despite the critical importance of service charge administration to commercial real estate sustainability, empirical research examining service charge governance in commercial properties within Nigeria and Sub-Saharan Africa remains extremely limited. Previous research on Nigerian commercial real estate has identified macroeconomic volatility, legal and regulatory inefficiencies, and weak financial infrastructure as barriers to effective property management (Nnajifor & Udobi, 2025), yet specific examination of service charge administration as a governance component remains sparse in published literature. Studies conducted in developed economies provide valuable theoretical insights (Lee, 2025) but concentrate primarily on residential properties operating within strong regulatory environments, limiting their applicability to commercial real estate in developing contexts. Research from emerging markets highlights broader property management challenges (Hamma-adama et al., 2025; Phala et al., 2026), but generally fails to examine service charge administration as a central component of property management performance.

The literature reveals several interconnected research gaps. First, a geographical gap exists, as empirical examination of service charge administration in commercial properties within Nigeria remains sparse (Tunde & Adefila, 2025). Second, a property-type gap persists, as most available studies concentrate on residential developments despite the distinct operational characteristics and stakeholder dynamics of commercial real estate (Omidire, 2023). Third, a methodological gap is evident, as few studies empirically examine how service charge determination methods, administrative practices, and governance structures influence tenant satisfaction,

payment compliance, and overall property performance (Amuna et al., 2026; Eboh et al., 2025). Fourth, an intervention gap exists because existing literature rarely investigates practical strategies through which property managers can improve transparency, strengthen accountability, and build institutional trust within service charge administration systems (Lawal et al., 2024).

This study adopts Banex Plaza, located in Wuse II, Abuja, as a case study to explore service charge administration issues within the Nigerian context. Banex Plaza is a prominent commercial hub accommodating a diverse mix of retail outlets, offices, and service businesses. Its high-density, multi-tenanted configuration makes it an appropriate microcosm for examining service charge governance challenges common to similar commercial properties in other metropolitan cities. Investigation of service charge administration in commercial plazas within Nigeria addresses a critical research need. By examining the structure, implementation, and stakeholder perception of service charge administration within a major commercial development, this study contributes context-specific evidence to ongoing debates on transparency, cost allocation fairness, and accountability in commercial property management. The findings will inform both academic understanding of governance challenges in emerging markets and practical property management strategies applicable to comparable commercial centres throughout Nigeria and Sub-Saharan Africa.

## 2. Research Methodology

This study adopted a descriptive case study design using a sequential mixed-methods approach to examine service charge administration within a commercial shopping complex. The approach was structured to capture both measurable tenant perspectives and in-depth managerial experiences. Quantitative data were first collected through structured questionnaires to assess tenant awareness, perceptions, and satisfaction, while qualitative data were subsequently obtained through semi-structured interviews with property managers to explore operational practices, decision-making processes, and administrative realities. This sequencing allowed initial quantitative patterns to inform, but not constrain, the qualitative inquiry, thereby supporting analytical triangulation and strengthening the overall validity of findings.

The study was conducted at Banex Plaza, a large multi-wing commercial complex in Wuse II comprising approximately 810 retail units occupied by

a diverse mix of businesses. The entire operational framework of the plaza, including maintenance, security, utilities, and facility management, is financed through tenant-paid service charges, making it a suitable context for examining governance and administration practices. The study population consisted of 810 tenant businesses and five property or facilities managers responsible for service charge administration. A systematic random sampling technique was applied to the tenant population by selecting every fifth unit from the property register, resulting in 162 tenant respondents, representing about 20 percent of the population. In addition, all five managers were included through total enumeration to ensure full representation of the administrative perspective, producing a total sample size of 167 respondents.

Primary data were collected over an eight-week period from January to February 2026 using structured questionnaires for tenants and semi-structured interviews for managers. A 100 percent response rate was achieved through a rigorous multi-contact strategy that included repeated on-site visits, follow-ups with non-respondents, and the use of both physical and electronic questionnaire formats to accommodate respondent preferences. The contained nature of the study area, the accessibility of respondents, and the relevance of the research topic contributed to this high response rate. The questionnaire captured information on tenant characteristics, awareness of service charge components, perceptions of transparency and fairness, and levels of satisfaction, using Likert scales. The instrument was pre-tested with a pilot group of 20 tenants to ensure clarity and validity. The interviews, conducted face-to-face and lasting between 45 and 90 minutes, explored key themes such as budgeting procedures, cost allocation methods, communication practices, financial management, operational constraints, and regulatory compliance, while allowing flexibility for respondents to elaborate on emerging issues.

Quantitative data were analyzed using descriptive statistics, including frequencies, percentages, and mean scores, with analysis conducted using SPSS version 26 to establish patterns in tenant perceptions and satisfaction. Qualitative data from interviews were analyzed using thematic analysis, involving systematic coding and identification of recurring themes across five core domains, namely financial management, administrative systems, communication, operations, and regulatory environment. Analytical integration was achieved through triangulation, where quantitative findings were compared with qualitative insights to identify convergence and explanation. For

instance, observed gaps in tenant awareness and perceptions of low transparency were explained by managerial accounts of weak communication systems and informal allocation practices, while dissatisfaction with service delivery was linked to operational inefficiencies and coordination issues. This iterative integration ensured that findings were not treated in isolation but were interpreted as interconnected evidence reflecting underlying administrative realities.

Ethical standards were strictly maintained throughout the study. All participants provided informed consent, and confidentiality was ensured by anonymizing responses and assigning pseudonyms to interviewees. No identifying information was disclosed, and all data collection procedures received prior institutional approval.

### 3. Results and Discussions

#### 3.1 The Plaza’s Characteristics

This section presents the characteristics of Banex Plaza in terms of the distribution of tenants across the different wings, the types of business activities conducted, and the duration of tenancy. The results are presented in Table 1.

**Table 1:** Total Number of Shops, Business Activities and Duration of Occupancy

S/N	Variable	Parameter	Frequency	Percentage
1	Wings	Main Wing	54	33.3
		Upper Wing	41	25.3
		Old Block	38	23.5
		New Annex	29	17.9
		Total	162	100
2	Business Type	Tech/Gadget and Electronics Store	57	35.2
		Restaurant	24	14.8
		Accessories	15	09.3
		Estate Firm	15	09.3
		Beauty Salon	13	08.0
		Banking Activities	11	06.8
		Printing Shop	10	06.2
		Law Firm	9	05.6
		Clothing Stall	8	04.9
		Total	162	100
		3	Duration of Occupancy	Less than 6 months
6–12 months	19			11.7
1–2 years	35			21.6
Over 2 years	105			64.8
Total	162			100

*Source: Field Survey (2026)*

The results show that Banex Plaza comprises 810 retail units distributed across four distinct operational wings. The sampled respondents (n=162) were distributed across the Main Wing (33.3%), Upper Wing (25.3%), Old Block (23.5%), and New Annex (17.9%), with the concentration in the Main Wing reflecting its role as the primary commercial hub within the complex. The business portfolio demonstrates commercial diversity, with technology and electronics retailers constituting the dominant tenant category at 35.2 percent, followed by restaurants (14.8%), and a range of smaller commercial operations including estate firms, beauty salons, banking services, and professional offices. This heterogeneous business composition mirrors broader patterns in metropolitan commercial plazas across West Africa, where mixed use configurations optimize tenant diversity and economic resilience (Adeyemo & Olaitan, 2024). The tenure profile reveals substantial tenant stability, with 64.8 percent of respondents occupying units for over two years, indicating that the plaza maintains a relatively established tenant base. This longitudinal presence suggests that respondents possess sufficient operational experience to assess service charge administration effectively, thereby enhancing the reliability of perception-based findings.

### 3.2 Awareness of Service Charge Component and Apportionment

This section presents the level of awareness among tenants regarding the components of service charge and the method used in apportioning service charges among occupiers in Banex Plaza. The results are presented in Tables 2 and 3.

**Table 2:** Tenants’ Awareness of Service Charge Components

Level of Awareness	Frequency (n)	Percentage (%)
Aware of most service charge components	34	21
Limited awareness of service charge components	60	37
Not aware of service charge components	68	42
Total	162	100

*Source: Field Survey (2026)*

**Table 3:** Tenants’ Awareness of Service Charge Apportionment

Awareness of Apportionment Method	Frequency (n)	Percentage (%)
Aware of how service charge is apportioned	29	18
Not aware of how service charge is apportioned	133	82
Total	162	100

*Source: Field Survey (2026)*

Tenant awareness of service charge composition and calculation methodology emerges as a critical governance deficiency. The quantitative findings reveal a stark pattern, only 21 percent of respondents reported awareness of most service charge components, while 37 percent possessed limited awareness and 42 percent indicated complete absence of knowledge regarding service charge contents (Table 2). This distribution indicates that approximately 79 percent of the tenant population operates without clear understanding of the services financed through their mandatory payments. The apportionment transparency dimension presents an even more severe governance challenges. Table 3 demonstrates that 82 percent of respondents could not articulate the basis upon which their individual service charge contributions were calculated, with only 18 percent claiming awareness of allocation methodologies.

This profound information asymmetry represents a fundamental breach of transparent property governance principles. Low tenant awareness of service charge components and apportionment methods directly undermines informed tenant participation in property management decisions, constituting what may be characterized as governance failure at the administrative level. Research on property management governance demonstrates that information asymmetries between stakeholders and management substantially impair stakeholder confidence and compliance (Kupusamy et al., 2025), with documentation weaknesses and inadequate system integration creating pathways for errors and delays in financial reconciliation (Zazili et al., 2024). The absence of documented, accessible cost allocation methodologies is particularly a challenge in commercial contexts, where tenants operate revenue generating businesses and require predictable operational cost structures (Terwase et al., 2025). Unlike residential tenancies where regulatory frameworks provide standardized guidance on service charge calculation, commercial property management in emerging markets operates within fragmented institutional environments where ad hoc allocation practices frequently substitute for systematic, transparent methodologies.

### 3.3 Tenants’ Perception on Transparency, Fairness and Service Delivery

This section presents tenants’ perceptions of transparency in service charge administration, fairness in the allocation of charges, and satisfaction with service delivery. The results are presented in Table 4.

**Table 4:** Tenants’ Perception on Transparency, Fairness and Service Delivery

S/N	Category	Parameter	Frequency	Percentage
1	Transparency	Very Transparent	30	18.5
		Transparent	40	24.5
		Not Transparent	92	56.5
		Total	162	100
2	Fairness	Highly Fair	20	12.3
		Fair	10	06.2
		Not Fair	132	81.5
		Total	162	100

S/N	Category	Parameter	Frequency	Percentage
3	Service Delivery Satisfaction	Very Satisfied	32	19.8
		Satisfied	30	18.5
		Not Satisfied	100	61.7
		Total	162	100

**Source:** Field Survey (2026)

Tenant perceptions regarding transparency, fairness, and service delivery satisfaction reveal negative evaluations across all dimensions, with patterns suggesting interconnected rather than isolated governance failures. Regarding transparency, 56.5 percent of respondents perceive service charge administration as not transparent, while only 18.5 percent regard it as very transparent (Table 4).

Tables 5 to 8 present the extended analyses used to examine the relationships underlying tenant perceptions of service charge administration. While Tables 5 to 7 provide cross tabulations that explore how awareness of service charge components and apportionment methods influence perceptions of transparency, and how transparency perception relates to service delivery satisfaction, Table 8 complements this by presenting the correlation analysis that quantifies the strength and direction of these relationships. Together, these tables move beyond the descriptive results in Tables 2 to 4 by revealing the underlying interdependencies among awareness, governance perception, and service outcomes within Banex Plaza.

**Table 5:** Cross Tabulation of Awareness of Service Charge Components and Perception of Transparency

Awareness Level	Very Transparent	Transparent	Not Transparent	Total
Aware (34)	18 (52.9%)	10 (29.4%)	6 (17.6%)	34 (100%)
Limited Awareness (60)	10 (16.7%)	20 (33.3%)	30 (50.0%)	60 (100%)
Not Aware (68)	2 (2.9%)	10 (14.7%)	56 (82.4%)	68 (100%)
Total	30 (18.5%)	40 (24.7%)	92 (56.8%)	162 (100%)

**Source:** Field Survey (2026)

**Table 6:** Cross Tabulation of Awareness of Service Charge Apportionment and Perception of Transparency

Awareness of Apportionment	Very Transparent	Transparent	Not Transparent	Total
Aware (29)	16 (55.2%)	8 (27.6%)	5 (17.2%)	29 (100%)
Not Aware (133)	14 (10.5%)	32 (24.1%)	87 (65.4%)	133 (100%)
Total	30 (18.5%)	40 (24.7%)	92 (56.8%)	162 (100%)

**Source:** Field Survey (2026)

**Table 7:** Cross Tabulation of Transparency Perception and Service Delivery Satisfaction

Transparency Perception	Very Satisfied	Satisfied	Not Satisfied	Total
Very Transparent (30)	20 (66.7%)	8 (26.7%)	2 (6.7%)	30 (100%)
Transparent (40)	10 (25.0%)	20 (50.0%)	10 (25.0%)	40 (100%)
Not Transparent (92)	2 (2.2%)	2 (2.2%)	88 (95.7%)	92 (100%)
Total	32 (19.8%)	30 (18.5%)	100 (61.7%)	162 (100%)

**Source:** Field Survey (2026)

**Table 8:** Summary of Correlation Analysis

Variables	Correlation Coefficient (r)	Significance (p-value)	Interpretation
Transparency vs Service Delivery Satisfaction	0.67	< 0.001	Strong positive relationship
Awareness vs Transparency Perception	0.58	< 0.001	Moderate to strong positive relationship

**Source:** Field Survey (2026)

The cross-tabulations reveal critical patterns demonstrating that tenant awareness of service charge components directly influences transparency perception. Table 5 shows that among the 34 tenants aware of most service charge components, 52.9 percent (18/34) perceive administration as very transparent, compared to only 2.9 percent (2/68) of unaware tenants. Conversely, 82.4 percent (56/68) of tenants lacking awareness perceive the system as not transparent. Similarly, Table 6 demonstrates that awareness of apportionment methodology produces marked differences in transparency perception. Among the 29 tenants aware of apportionment methods, 55.2 percent (16/29) perceive very high transparency, whereas only 10.5 percent (14/133) of unaware tenants hold this perception. These patterns

establish a clear information-perception gradient: enhanced awareness correlates with improved transparency perception.

The relationship between transparency perception and service delivery satisfaction (Table 7) demonstrates even stronger interdependency. Among the 30 respondents perceiving very high transparency, 66.7 percent (20/30) express high satisfaction with service delivery. In contrast, among the 92 respondents perceiving low transparency, only 2.2 percent (2/92) report high satisfaction. This striking contrast underscores that transparency perception functions as a critical determinant of service satisfaction outcomes. The correlation analysis (Table 8) quantifies these patterns, showing that transparency perception and service delivery satisfaction exhibit a strong positive correlation ( $r=0.67$ ,  $p<0.001$ ), indicating that nearly 45 percent of variance in satisfaction can be explained by transparency perception alone. The moderate-to-strong correlation between awareness and transparency ( $r=0.58$ ,  $p<0.001$ ) establishes awareness as a significant antecedent to transparency perception, though other factors contribute substantially to transparency judgments.

These quantitative interdependencies illuminate why governance deficiencies at Banex Plaza generate compounding negative outcomes. The data demonstrate a sequential causal pathway: inadequate awareness of service charge components leads to diminished transparency perception, resulting into reduced service satisfaction. This cascade effect explains why 61.7 percent of tenants express dissatisfaction with service delivery despite variability in actual service quality. The profound communication and documentation gaps identified in tenant awareness (Tables 2-3) translate directly into compromised transparency perception (Table 4), which in turn drives overall service dissatisfaction. The strength of the transparency-satisfaction correlation ( $r=0.67$ ) suggests that improving communication and documentation to enhance transparency perception could substantially improve service satisfaction outcomes, even without proportional improvements in actual service delivery.

### 3.4 Qualitative Findings: Challenges of Service Charge Administration (Interview Analysis)

Semi structured interviews with five property and facilities managers (ESV1 to ESV5) were systematically analyzed using rigorous thematic analysis methodology. The analytical process involved initial open coding of interview transcripts to identify distinct concepts and operational challenges, followed by axial coding to group related concepts into coherent thematic categories, and final selective coding to integrate themes around core organizational and governance dimensions. Inter coder reliability was established through independent coding of randomly selected 40 percent sample of transcript segments by a second analyst, yielding agreement rate of 87 percent (Cohen's kappa=0.84), thereby meeting established trustworthiness thresholds. The resulting thematic summary is presented in Table 9.

**Table 9: Thematic Summary of Challenges Faced by Property Managers (Interview Findings)**

Theme	Description	Supporting Evidence (Interview Quotes)				
		ESV1	ESV2	ESV3	ESV4	ESV5
Financial and Budgeting Challenges	Managers struggle with irregular tenant payments, inflation, and unplanned expenses that disrupt cash flow and budgeting.	“Many tenants expect all facilities to work perfectly, yet they delay their service charge payments for months.”	“The delay in payments means we can’t plan preventive maintenance; we are always reacting to emergencies because funds don’t come in as expected”	“Sometimes tenants pay only part of their service charge and promise to complete later, but by then prices have already changed”	“Inflation affects everything: diesel, cleaning, even bulbs. Our budget projections don’t survive more than two months”	“We try to keep service charges stable to avoid conflicts, but without regular payment reviews, we end up running at a loss”
Administrative and Accountability Issues	Manual accounting systems and weak documentation reduce financial transparency and delay reconciliations.	“We still use manual ledgers and sometimes make small errors that make tenants think we are hiding something.”	“When tenants request account statements, we have to compile everything manually. It slows down transparency”	“An automated accounting system would solve a lot of the trust issues. Right now, our records depend too	“We don’t have an internal audit process. Sometimes, simple reconciliations take weeks because of missing receipts.”	“Even when we are transparent, tenants still doubt the figures because they are not seeing real-time reports or digital records.”

				much on paper files”		
Communication and Tenant Relations	Poor communication and low tenant participation in decision-making foster mistrust and resistance to changes in service charges.	“We call meetings to explain budgets, but only a few tenants attend; later they complain they were not informed.”	“Tenants often misunderstand what the service charge covers; they think it’s just for security and cleaning”	“We circulate notices and emails, but many tenants don’t read them until there’s an issue like power failure”	“Some tenants expect immediate responses to maintenance issues, not realizing the process involves approvals and budgeting”	“We need a tenants’ association to bridge communication gaps. It would help if tenants had representatives who understand our constraints”
Operational and Technical Challenges	Maintenance difficulties, unreliable contractors and lack of individual meters hinder efficient service delivery.	“We don’t have a reserve fund for big repairs; when something breaks down, we ask tenants for extra money and they resist.”	“Most contractors overpromise and underdeliver. After the first payment, their response time drops drastically.”	“The plaza’s layout makes maintenance complicated, each wing has different access points and electrical systems.”	“Without separate meters, calculating fair utility costs is difficult; tenants believe some are subsidizing others.”	“We have no dedicated maintenance team. We depend on external vendors who may not always be available on short notice.”
Regulatory and Institutional Constraints	Multiple taxation, weak enforcement, and lack of standardized service charge frameworks create inconsistency and disputes.	“Sometimes local authorities come with new levies without notice; when we adjust charges, tenants accuse us of exploitation.”	“We need clearer legal backing to enforce payments; court processes are too slow to deter defaulters.”	“Different agencies come with overlapping levies: fire service, environment, signage; all at different times.”	“If professional bodies had a standard service charge framework, it would reduce arguments and improve consistency.”	“There’s no regulatory guideline for dispute resolution. Every manager is left to negotiate individually with tenants.”

Source: Field Survey, 2026

**Theme 1: Communication and Documentation Deficiencies.** Interview findings show that service charge administration at Banex Plaza is marked by limited documented communication on service charge components, allocation methods, and budgets. All five managers reported that tenants receive mainly verbal updates during annual tenancy meetings, with little formal written documentation. One manager noted, "We communicate charges verbally, but there's no detailed breakdown given to tenants regularly." This lack of accessible documentation creates information asymmetry, aligning with the 79 percent awareness deficit observed quantitatively. Managers also indicated that absence of standardized documentation systems constrains record keeping and limits the ability to provide historical data or cost comparisons. These gaps are consistent with governance literature linking weak information flow to stakeholder dissatisfaction and management inefficiencies (Kupusamy et al., 2025).

**Theme 2: Absence of Metering and Transparent Allocation Mechanisms.** Interview findings indicate that service charges are allocated without individual metering or tenant specific consumption data. Charges are determined on a pro rata basis using floor area, regardless of actual usage. As one manager explained, "All shops pay the same rate per square meter regardless of how much electricity or water they use." This approach limits transparency around cost drivers and fuels perceptions of unfairness, especially among tenants with lower consumption levels. The absence of metering prevents adoption of consumption-based billing, which could improve accountability. This directly explains the 81.5 percent fairness concern identified in the quantitative results, as tenants cannot verify whether charges reflect actual usage or benefits received.

**Theme 3: Financial Management and Reserve Fund Administration.** Findings show that the plaza lacks a formal reserve fund for planned maintenance or capital replacement. Managers rely on ad hoc financial requests when repairs arise. One manager stated, "When something breaks, we tell tenants we need additional funds. There's no planned maintenance budget." This reactive approach creates uncertainty and results in sudden charge adjustments that lack

prior justification. The absence of structured reserve fund management limits long term planning and reinforces perceptions of arbitrary cost imposition. Managers noted that tenants often resist such charges, even when necessary, because they appear unplanned rather than systematically derived.

**Theme 4: Operational Constraints and Service Delivery Limitations.** Interview evidence highlights significant operational limitations affecting service delivery. The plaza lacks in-house maintenance teams and depends on external contractors engaged on a case-by-case basis. Managers reported delays, incomplete work, and poor responsiveness, particularly during emergencies. One manager observed, "We struggle to get contractors to respond quickly. Sometimes repairs take weeks or months." Irregular payment of contractor invoices, due to delayed tenant payments, further weakens service capacity. This disrupts preventive maintenance and reinforces reactive repairs, contributing directly to the 61.7 percent dissatisfaction level reported quantitatively. These constraints explain persistent service quality gaps beyond communication issues.

**Theme 5: Regulatory and Institutional Constraints.** Interview findings show that service charge administration operates within a fragmented regulatory environment characterized by overlapping levies and absence of clear standards. Managers reported that regulatory unpredictability leads to sudden charge adjustments that cannot be explained through prior planning. The broader institutional context is marked by weak enforcement and policy inconsistency, reflecting challenges common in emerging property markets (Fayomi et al., 2025). These constraints are systemic rather than managerial, indicating broader institutional limitations within Nigeria’s property management framework (Fayomi et al., 2025).

**Synthesis of Qualitative and Quantitative Findings:** The qualitative results provide explanatory depth for the quantitative patterns reported in Sections 3.2, 3.3, and 3.4. The low tenant awareness level is linked to communication gaps and weak documentation systems. Perceived unfairness is explained by lack of metering, opaque allocation practices, and absence of structured financial planning. Service delivery dissatisfaction reflects operational constraints, including reliance on contractors and irregular payment flows.

Summarily, the findings indicate that governance deficiencies at Banex Plaza arise from systemic institutional, infrastructural, and regulatory constraints rather than individual managerial shortcomings. The consistency of responses across all five managers suggests that these issues are embedded within the operational environment. This aligns with stakeholder engagement literature emphasizing the role of structural and institutional conditions in shaping management effectiveness (Ayeni-Agbaje & Akpore, 2026).

#### 4. Implications of Findings

The combined quantitative and qualitative analyses reveal several structural and operational challenges affecting service charge administration in Banex Plaza. The survey results show low tenant awareness of service charge components and apportionment, as well as negative perceptions regarding transparency, fairness, and service delivery. Similarly, the interview findings highlight financial constraints, administrative limitations, communication gaps, operational difficulties, and regulatory pressures faced by property managers.

Table 10 summarizes the key observations derived from the analyses and outlines their implications for property management, tenant relations, and operational performance within the plaza.

**Table 10:** Specific Observations and the Implications of Challenges at Banex Plaza

Challenge Observed	Context at Banex Plaza	Area Affected	Key Impacts
Low awareness of service charge components	Majority of tenants lack clear knowledge of the services covered under the service charge budget.	Tenant Relations	Limited understanding increases suspicion and resistance to service charge payments.
Limited awareness of apportionment method	Most tenants do not understand how service charge costs are allocated among units.	Governance and Accountability	Perceived inequity in cost allocation leads to disputes between tenants and management.
Transparency concerns	More than half of tenants perceive service charge administration as not transparent. Manual accounting systems also slow reporting.	Property Management Credibility	Lack of transparency reduces trust in management and weakens cooperation among stakeholders.
Budget and financial constraints	Delayed payments by tenants and inflation increase operational costs and disrupt maintenance planning.	Operational Efficiency	Preventive maintenance is reduced, leading to reactive repairs and higher long-term costs.

Challenge Observed	Context at Banex Plaza	Area Affected	Key Impacts
Communication gaps	Tenant participation in meetings and information channels is low, resulting in misunderstandings about service charge coverage.	Tenant Satisfaction	Poor communication contributes to dissatisfaction and weak engagement with property management decisions.
Operational and maintenance limitations	Reliance on external contractors and absence of individual utility meters complicate service delivery and cost allocation.	Service Delivery	Inefficient maintenance coordination and perceived cost inequities among tenants.
Regulatory and institutional constraints	Multiple government levies and lack of standardized service charge frameworks create administrative pressure.	Financial Performance	Additional operational costs and disputes over service charge adjustments.
Weak dispute resolution mechanisms	Absence of structured internal mechanisms for resolving service charge disputes.	Governance Structure	Conflicts between tenants and management may escalate and delay financial recovery.

*Source: Field Survey (2026)*

The implications of the findings as presented in Table 6 reveal governance issues that extend beyond financial management to include persistent gaps in stakeholder communication and administrative systems. Empirical evidence shows that low tenant awareness directly shapes perceptions of fairness and satisfaction. The strong transparency–satisfaction correlation ( $r=0.67$ ,  $p<0.001$ ) is significant, aligning with evidence that accountability and transparency mechanisms fundamentally influence stakeholder trust and engagement (Lee, 2025). This relationship indicates that improving information disclosure could raise satisfaction even without changes in service quality.

The study also identifies a cascading effect in which low awareness reduces perceived transparency and ultimately lowers service satisfaction, indicating a core administrative weakness. The 79 percent awareness deficit on service charge components reflects systemic weakness in documentation and communication rather than tenant indifference. Prior studies confirm that transparent documentation and consistent record-keeping are essential for stakeholder confidence (Graham & Sasraku-Neequaye, 2026). Similarly, the 82 percent lack of awareness of apportionment methods suggests that allocation operates without visible logic, breaching accountability standards. Qualitative evidence reinforces this, as all managers rely mainly on verbal updates during annual meetings without routine written records. Evidence from urban governance shows that procedural transparency and accessible information drive stakeholder legitimacy and cooperation (Bradley & Mahmoud, 2024). The absence of metering systems further weakens accountability, preventing verification of consumption-based fairness.

Operationally, the findings indicate that the reactive maintenance pattern results from irregular tenant payments that disrupt planned budgets. This reflects structural limitations rather than managerial

incompetence. Research shows that structured financial planning and preventive maintenance are central to efficiency and cost control (Lawoyin et al., 2023). The absence of formal financial frameworks forces reliance on ad hoc funding requests, which tenants resist due to perceived arbitrariness. Establishing reserve fund systems would convert reactive repairs into planned maintenance, reducing long-term deterioration and costs.

The regulatory constraints identified, including overlapping levies and lack of standard service charge frameworks, extend beyond individual management control. Interview data indicate that unexpected regulatory changes necessitate unplanned charge adjustments. This suggests that improved outcomes require sector-level regulatory standardization alongside internal improvements. The absence of formal dispute resolution mechanisms also allows tenant grievances to escalate without structured pathways. Comparative evidence shows that clear regulatory guidelines and dispute systems improve both efficiency and satisfaction (Lee, 2025).

On stakeholder engagement, the study finds limited tenant participation despite management efforts. The strong transparency–satisfaction relationship implies that greater involvement in decision-making would enhance legitimacy and acceptance. Research on co-governance shows that tailored communication strategies improve participation and trust (Minskere et al., 2026). However, the study does not identify which mechanisms are most effective, so interventions such as tenants’ advisory committees should be empirically evaluated. Existing literature emphasizes that engagement must be iterative and continuously assessed (Bradley & Mahmoud, 2024).

Manual accounting systems present an additional operational constraint. Managers’ report delays in financial reporting and limited real-time visibility. The finding that 56.5 percent of tenants perceive the system as non-transparent suggests that manual

processes undermine confidence. While digital systems can enhance monitoring, planning, and efficiency (Konovalov et al., 2025), the study does not confirm that computerization alone would resolve perception gaps, given the role of broader governance factors.

Generally, the combined evidence shows that service charge administration challenges at Banex Plaza stem from interconnected governance, communication, and operational deficiencies rather than isolated financial issues. Effective improvement requires integrated reforms in governance practices, technological systems, and stakeholder engagement, recognizing that meaningful progress depends on systemic change rather than incremental adjustments.

## 5. Conclusion and Recommendations

The study shows that service charge administration at Banex Plaza is constrained by systemic governance deficiencies rooted in weak information disclosure, inadequate administrative systems, and operational limitations. Empirical evidence shows that 79 percent of tenants lack adequate awareness of service charge components and 82 percent do not understand apportionment methods, confirming a pronounced information asymmetry. This gap is consequential. Statistical results establish a causal pathway in which low awareness reduces transparency perception ( $r = 0.58$ ,  $p < 0.001$ ), which strongly determines service delivery satisfaction ( $r = 0.67$ ,  $p < 0.001$ ). With 61.7 percent of tenants dissatisfied and 81.5 percent perceiving allocation as unfair, governance perception emerges as the dominant driver of outcomes rather than service quality alone. Qualitative findings reinforce this pattern, highlighting reliance on verbal communication, absence of metering, manual accounting, and lack of reserve funds, all of which sustain a reactive management system marked by weak planning and tenant mistrust.

The evidence further indicates that these challenges are structurally embedded rather than purely managerial. Regulatory fragmentation, multiple levies, and absence of standardized frameworks constrain effective administration. The convergence of findings shows that inefficiencies arise from interconnected governance, financial, and operational weaknesses. Importantly, the strong transparency–satisfaction relationship suggests that improving accountability and information disclosure can significantly enhance tenant satisfaction even without proportional service improvements.

Based on these findings, the study recommends a transition to a structured and transparent governance

framework. Property management should institutionalize periodic written disclosure of service charge components, allocation methods, and budget performance, supported by digital accounting systems to improve accuracy and real time reporting. Utility sub metering and consumption-based billing should be introduced to address persistent fairness concerns linked to uniform cost allocation.

A formal reserve fund mechanism is also required to enable planned maintenance and reduce reliance on emergency levies, thereby stabilizing service charge expectations. In addition, tenant engagement should be strengthened through formal associations or advisory structures to improve participation, communication, and trust. Given the empirical link between transparency and satisfaction, such mechanisms are likely to improve compliance and cooperation.

Finally, professional and regulatory bodies should develop standardized guidelines for service charge administration, including frameworks for cost allocation, disclosure, and dispute resolution. Sustainable improvement depends on aligning property level reforms with broader institutional standards, ensuring that governance, financial management, and operational practices function within a coherent regulatory structure.

## References

- Adeniran, A. A., Mbanga, S. and Botha, B. (2021). A framework for the management of human settlements: Nigeria and South Africa as cases. *Town and Regional Planning*, 78, 1–15 <https://doi.org/10.18820/2415-0495/trp78i1.1>
- Adeyemo, O. I., & Olaitan, O. A. (2024). Effective property management in increasingly urbanized cities. *International Journal of Research and Innovation in Social Science*. 8(1), 2323-2336. <https://doi.org/10.47772/ijriss.2024.801171>
- Amuna, M., Offei, E. A., Folorunso, O., & Zormelo, C. (2026). Agile and lean frameworks for enhancing accountability and efficiency in public financial management systems in emerging economies. *Asian Journal of Economics, Business and Accounting* 26 (1):17-30 <https://doi.org/10.9734/ajeaba/2026/v26i12123>
- Awoonor, M.D. (2025). An Examination of the Effects of the Public Finance Management Act on Responsibility in the Government Sector in Ghana, Nigeria, and South Africa. *African*

- Journal on Impact, Economic and Social Studies*, 2(3) 1-8.  
<https://doi.org/10.63159/617432>
- Ayeni-Agbaje A.R. & Akpore H. (2026). Financial management practices and financial performance of small and medium enterprises in ekiti state, nigeria. *International Journal of Research and Innovation in Social Science* 10(3), 822-839.  
<https://doi.org/10.47772/ijriss.2026.100300056>
- Bradley, S., & Mahmoud, I. H. (2024). Strategies for Co-Creation and Co-Governance in Urban Contexts: Building Trust in Local Communities with Limited Social Structures. *Urban Science*, 8(1), 9  
<https://doi.org/10.3390/urbansci8010009>
- Eboh, E. E., Aliliele, C., & Odihi, F. (2025). Advances in financial governance and accountability systems in small and medium enterprises. *International Journal of Advanced Multidisciplinary Research and Studies*. 5(6), 2223-2245  
<https://doi.org/10.62225/2583049x.2025.5.6.6013>
- Fayomi, I., Abegunde, A., & Medupin, A. (2025). Contextual Determinants of Facilities Management Strategies in the Lagos Commercial Real Estate Sector. *Advanced Journal of Science Technology and Engineering*. 5(3), 30-42  
<https://doi.org/10.52589/ajste-ooemqtjif>
- Graham, L. D., & Sasraku-Neequaye, B. K. (2026). Facilities management in hospitality: A systematic review of concepts, practices, and strategic implications. *International Journal of Research and Scientific Innovation*. 13(3), 1040-1045  
<https://doi.org/10.51244/ijrsi.2026.1303000095>
- Hamma-Adama, M., Chijioke, A., & Mashwama, N. (2025). Challenges of road asset management: Road maintenance, techniques, materials, and methods. In V. Vimonsatit, H. Askarnejad, M. Pour, A. Singh, & S. Yazdani (Eds.), *Proceedings of the International Structural Engineering and Construction (ISEC) Conference: Integrating Technology for Advanced Practices in Structural Engineering and Construction* (Vol. 12, No.1). ISEC Press.
- Konovalov, D., Švajlenka, J., & Katunský, D. (2025). CAFM – integrated tool for the operational phase of the construction life cycle. *E3S Web of Conferences*.  
<https://doi.org/10.1051/e3sconf/202566701005>
- Kupusamy, J., Ani, A. I. C., Zin, R. M., Nor, M. A. M., Jusoh-Hussain, A. H. M., & Nawi, M. N. M. (2025). Enhancing defect management in strata common property: Stakeholder perceptions and process improvement strategies during the liability period - a systematic literature review. *Architecture Image Studies*. 6(3), 330-346.  
<https://doi.org/10.62754/ais.v6i3.225>
- Lawal, C. I., Friday, S. C., Ayodeji, D. C., & Sobowale, A. (2024). Advances in public-private partnerships for strengthening national financial governance and crisis response systems. *International Journal of Advanced Multidisciplinary Research and Studies*. 4(6), 1700-1719  
<https://doi.org/10.62225/2583049x.2024.4.6.4101>
- Lawoyin, J. O., Nwokediegwu, Z. S. S., & Gbabo, E. Y. (2023). Resource allocation model for efficiency in complex facility management systems. *International Journal of Advanced Multidisciplinary Research and Studies*. 3(2), 1264-1274  
<https://doi.org/10.62225/2583049x.2023.3.2.4893>
- Lee, J.D. (2025). Legal framework for condominium management: Lessons from the evolution of germany's WEG and implications for Korean Law. *Korean Institute for Aggregate Buildings Law*. 2025, 105-143  
<https://doi.org/10.55029/kabl.2025.56.105>
- Mahesh, J., Kumar, J. U., Kumar, R., & Sarma, D. (2026). Rentsphere: Smart Leasing & Tenant Management. *International Journal of Engineering Technology and Management Sciences*. 2(10) 558-572  
<https://doi.org/10.46647/ijetms.2026.v10i02.062>
- Milligan, V., Pawson, H., Phillips, R., and Martin, C. (2017) *Developing the scale and capacity of Australia's affordable housing industry*, AHURI Final Report No. 278, Australian Housing and Urban Research Institute Limited, Melbourne,  
<https://www.ahuri.edu.au/research/final-reports/278>, doi:10.18408/ahuri-7108402.
- Minskere, L., Kalnina, D., Salkovska, J., & Batraga, A. (2026). Urban Communication in Smart Cities: Stakeholder Participation Motivators. *Smart Cities*, 9(4), 58.  
<https://doi.org/10.3390/smartsities9040058>
- Nnajiolor, E. P., & Udobi, A. N. (2025). The challenges of international real estate investment in developing economies: The Nigerian perspective and other countries.

- International Journal of Advances in Engineering and Management*, 7(6), 484-491.  
<https://doi.org/10.35629/5252-0706484491>
- Olayemi, M. S., Movlyanov, A., & Olajide, O. O. (2025). The relationship between energy and development in developing countries: A statistical perspective on volatility dynamics. *Gümüřhane Üniversitesi Fen Bilimleri Dergisi*, 15(4), 1194-1208. <https://doi.org/10.17714/gumusfenbil.1753096>
- Omidire, K. (2023). Lessons for nigeria from the experience of south africa in managing the challenges of transfer of title and administration of fragmented property schemes. *Potchefstroom Electronic Law Journal*. 2023(26), 1-28. <https://doi.org/10.17159/1727-3781/2023/v26i0a15638>
- Phala, M., Xulu, S., & Nzimande, N. (2026). Institutional and governance barriers to effective municipal waste management: Stakeholder perspectives from Thabazimbi Local Municipality. *Environmental Research Communications*. 8(2026) 1-19 <https://doi.org/10.1088/2515-7620/ae6040>
- Punit Goel, Prof. (Dr). (2025). Integration of blockchain in real estate registry systems. *Scientific Journal of Artificial Intelligence and Blockchain Technologies*. 2(2), 1-8 <https://doi.org/10.63345/sjaibt.v2.i2.101>
- Sukare, B. M., & Usman, U. D. (2026a). Decentralization and Local Government Service Delivery In Nigeria: Administrative Challenges And Governance Implications. *International Journal of Management Science and Business Analysis Research*, 11(7) 10-22 <https://doi.org/10.70382/caijmsbar.v11i7.074>
- Sukare, B. M., & Usman, U. D. (2026b). Public Policy Implementation and Governance Challenges In Nigeria: Implications For Sustainable Development In Africa *Journal of African Sustainable Development*, 11(2) 1-14 <https://doi.org/10.70382/bejasd.v11i2.054>
- Terwase, P., Kalu, S., Ufere, J., & Mohammed, M. (2025). Alternative Dispute Resolution (ADR) Management in Multi-Tenanted Commercial Real Estate Property in Kaduna, Nigeria. *Journal of Built Environment and Geological Research*. 10(4), 186-198 <https://doi.org/10.70382/ajbegr.v10i4.051>
- Tunde, Y. A., & Adefila, S. (2025). Blockchain applications in land title registration: A future outlook for southwestern Nigeria's property sector. *International Journal of Innovation Research and Advanced Studies*. 7(2), 229-252.
- Yulfajar, A., Noor, G. M., & Putranto, R. S. (2025). The impact of financial market instability on economic growth and long-term investment. *Advances in Economics & Financial Studies*, 3(1), 43-55. <https://doi.org/10.60079/aeefs.v3i1.454>
- Zazili, A. S. A., Abu, N., Basri, S. A., Nordin, E., & Hussain, W. S. (2024). Evaluating internal control mechanisms in malaysian public sector initiatives: Insights from the public accounts committee (PAC) reports. *Information Management and Business Review*. 16(3), 924-936 [https://doi.org/10.22610/imbr.v16i3\(i\)s.3941](https://doi.org/10.22610/imbr.v16i3(i)s.3941)