
AN EXAMINATION OF TENANTS PREFERENCES IN COMMERCIAL OFFICE BUILDINGS: THE CASE OF DAR ES SALAAM CBD, TANZANIA

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ABSTRACT

This was study aimed at investigating the tenants' preferences to commercial office buildings in all stages of tenancy from when seeking a space, during occupation and possible reasons for vacation. The questionnaires were distributed to 93 respondents who ranked factors in order of their importance at a Likert scale of 5 and 7 attaining 68% response rate. By using Relative Importance Index (RII) in the Microsoft Excel, the index from 0.5 and above were considered important factor. The findings indicate that location, building services, rent and lease term and building conditions are respectively important factors to attract tenants. The keep factors are provision of good building services, good tenants' business performance and cost of vacation or acquiring new space. Lastly, the bad business performance, poor services provision, defecting building conditions and rental review with lease restructuring triggers the tenants to vacate the buildings than any other factors. This study contributes to the property owners and managers to understand of the preferences of tenants in all tenancy stages. It appreciates variation of preferences from stage to another

Keywords: Office space, Likert scale, Relative Importance Index (RII), tenants' preferences

INTRODUCTION

of various investors in Dar es Salaam, the largest city and business Centre in Tanzania. This kind of investment pulls investors to induce their capital into office space business through being characterized by stable or slightly changing yield. For example, Knight Frank, 2013 and Knight Frank, 2015 reports that office prime yields was be 9% in 2013 and 9.1% in 2015 with average prime rent of 21 USD per square metre. So also, (Rothacher, 2013) affirms that since 2009, prime rent levels (US\$ 20/m²/month) and prime yields (10%) remained stable for office space in Dar es Salaam and even increased for industrial space. Currently there has been construction of huge investment in complex buildings offering various office spaces of different size, quality and services on choice of tenants.

Real estate investment, office space market inclusively has been reported to be increasing in Tanzania in recent years. In the National Bureau of Statistics (NBS) 2015, it was reported that, real estate investment increased by 2.2 percent in the first quarter of 2015 compared to 2.1 percent of the reference period under review in 2014. Real estate business in general is more

pronounced in Dar es Salaam than all other cities in Tanzania. For example, 36 out of 44 registered real estate business in Tanzania mainland were in Dar es Salaam city (National Bureau of Statistics NBS, 2016). The development of real property investment including offices responds to the increasing demand for office space by both government and private tenants from within the country and outside.

Also, there have been investors of various types both within and outside ranging from public organization, private company and individuals. NBS goes further reporting that 65% of real estate are owned by companies whereas public organizations owned 13.6% which were the leading ownership groups. Investment in real properties in Dar es Salaam is to some degree done in cooperation between local and foreign investors. Rothacher, 2013 reports that in Tanzania, domestic institutional investors are regarded as reliable business partners for foreign real estate investors.

Investment in office space buildings like all other space markets however, solely depends on the tenants. It is common for investors to prefer long tenancy since it gives an assurance of future income flow for investment. Such assurance is advantageous for the investor since it provides an opportunity to make better investment decisions including the plan for reinvestment. Also, it serves the cost of seeking new tenants when a space remains vacant since it often involves letting fees.

The typical investments have been contributing to national economy to large extent in the recent years much more than previously years. In 2015 real estate business were reported to have employed about 565 workers in Tanzania mainland (National Bureau of Statistics NBS, 2016). This has been contributed by among other things, the government efforts to foster investment through Tanzania Centre for Investment (TIC) and favorable legal framework. Good example is the enactment of Unit Titles Act in 2008 through which it has been possible to attract investors to invest in various fields especially the foreign ones as per Knight Frank report, 2015.

The increasing demand for office space in Dar es Salaam has gone along with the increase of investment in real property of which office space is major especially in Central Business District (CBD). Such kind of progress in office space market has provided a room for prospective tenant with multitude of choices when seeking a space to run their business operation. The increased choices for tenants have challenged investors on how to make their development appeal before tenants in comparison to another office space premises available in the market. So far, rent seems to be determined by the market thus limiting investors from manipulating it as an incentive to tenants. From Knight Frank's Africa report in 2013 it was reported that the new projects which had to be accomplished were not expected to affect rentals due to the existence of significant developments coupled with a need for quality office space. The report argued, 'The delivery of these new projects is not expected to have a great effect on rental levels as the strength of recent leasing activity demonstrates that there is still significant pent-up demand for quality office space in the city'.

There is a great deal of variation among tenants with respect to preferences they make between choices available. Tenants varies in aspects they consider important in the buildings whereby one factor considered important than another factor by one tenant may not be the same case to another tenant.

Studies however have been conducted to arrive to some criteria that seems common to almost all tenants in office space in various parts of the world. Among the common preferences stated by previous studies includes rent, location, service and property management (Appel-Meulenbroek, 2008 and Sanderson and Edwards, 2016).

The Dar es Salaam office space market necessarily requires an investigation to what preferences do tenants consider important when seeking the space. It is not enough concluding on the preferences considered when seeking a space, but it is worthy getting broader to what do they consider after acquiring the building. So also, it is important to appreciate the possibility of variation between what attracts tenants to the premise and what property managers and landlord are required to do to keep them in the premise. Some incidents which are likely to lead tenants to vacation of the building may not necessarily be related to landlord nor property manager but the building itself or tenants themselves. This calls for the need to study preferences in each occupational stage independently.

2. Literature Review

2.1 Factors attracting tenants

There is a question regarding to what exactly attracts tenant to certain premise or what keeps tenants and after sometimes trigger them to vacate. Some studies have been done and the highly preferred factors appear repeatedly and sound common despite regional variations. Chin and Poh, 1999 when discussing the application of total quality management (TQM) to property management suggested that important areas to tenants includes the provision of professional, reliable and consistent delivery of management services to the client.

Three major aspects preferred by tenants from the study of determinants of satisfaction amongst tenants of UK offices were put forward to be the office building itself, its location and amenities, and also communication with their property manager, a belief that their business needs are understood and the property manager's responsiveness to occupiers' requests (Sanderson and Edward. 2016). The study went further to determine what tenants prefer when in building in order to keep them loyal. They named factors like the feeling that their rent and service charges provide value for money, an amicable leasing process, the professionalism of their property manager and the corporate social responsibility of the landlord. These are said to ensure the occupier's perception of receiving value for money.

2.2 Some factors appears more important than another

Some features seems crucially preferred by tenants than other as researchers found that office cleaning, catering and security services found all of the service quality dimensions apart from

“Clout” (influence or market share) to be strongly or moderately related to customer perceived service quality and customer satisfaction (Van Ree, 2009).

It was also discovered in study of preferences of commercial tenants in Helsinki that location had the highest importance whereas the energy efficiency of a building was ranked second and indicative results suggested that industry sector and the position of the respondent effect the importance of the preferences (Karhu et al., 2012). In the study by Wilson and colleagues in 2001, it was discovered that the customers of corporate real estate organizations put more value to responsiveness and flexibility, an understanding of their customers’ needs and accountabilities, professionalism, reliability, accessibility, risk management, ease of doing business and competitive pricing/value-for-money/affordability (Wilson et al., 2001).

Some tenants appreciate a well-arranged service charge plan especially when they are included in the rent and service charge as it is adopted by many property management companies today. Occupiers are said to require a well-drafted service level agreement with a provider they can trust in desire to feel confident that service charges are fair, transparent and well-managed (Gibson et al., 2008). This is considered as giving occupiers good value for money through attention paid to the full service-delivery process rather than optimizing sub-processes, good communication and ensuring property managers behave professionally and feel valued (Jylha and Junnila, 2014).

In some occasions, rent emerged to be a more sensitive factor than others. For example, BOMA and Kingsley Associates, 2013 conducted a study on a global occupier satisfaction study conducted and found that occupiers’ greatest concern was their rents and the total overall costs of occupation.

2.3 The line between pull, keep and push factors

Property management aspects namely “keep, push or pull” among office occupiers were assessed for their impact on satisfaction and loyalty by (Appel-Meulenbroek, 2008). Pull factors were more related to physical location of the property. Proximity to a city, accessibility and availability of parking were among important factors preferred in premise decision. Keep factors in the study were found to include building services, scope to extend, flexibility and locational factors that would be considered when choosing the property initially. Push factors were mentioned to be those which encourage defection, whereas pull factors are those which result from a competitor attracting a customer away from the original supplier. Push and pull factors were found to relate to building maintenance, the quality of fittings, internal climate and the appearance of the building.

Levy and Lee, 2009 categorized the main reasons for switching behaviour when studying tenants switching behavior and loyalty to property service suppliers and landlord. For switching, the following factors were discovered to be source of tenant vacation namely; core service failure, external requirements, relationships, change in client’s requirements, and attraction by competitors and pricing.

2.4 Some factors not related to the premise

Dow and Porter, 2004 carried out a study that sought to understand what tenants consider most aimed at providing insight into what management should consider after tenants have acquired space. Factors to observe in this aspect included the space in question which is a core asset and fitting into the company's overall business objectives and long-term strategic plan. This implies that occupier's considerations are not only the premise but also the status of progression of core business.

There are associated moving expenses on one side and moving incentives on another side, some of which come from government. Such scenarios are observable in many communities and should be fully investigated and considered before making a decision to vacate certain premise(Dow and Porter, 2004). Venkateswaran, 2003 objects a general rule that providing tenants' preference through satisfying them will retain them in a premise. He raised the concept of customer defection saying that satisfying customer is basically offering the service quality and no matter satisfied the Customer is, there will always be some customer defections.

Occupiers' businesses may fail, large corporations may decide to rationalize their use of space or need to relocate for other commercial reasons, and the cost of renting the premises may be deemed too high which is not related to tenancy and buildings. Some tenants are said to be ready to move out of the building but there are associated cost that discourage them from switching to another premises. This results into some tenants necessarily stay in that certain premise without being the best choice. As such, when switching suppliers there are various costs involved such as procedural, financial and relational switching costs(Gee, et al., 2008).

2.5 Measuring Dimensions

Some dimensions of service of quality seemingly common used in typical studies by (Westbrook and Peterson, 1998 and Van Ree, 2009) include credibility, security, competence, accessibility, communication, understanding, courtesy, consulting, offering, clout, geographies and price, which the stakeholders are keenly interested in.

3 Research Gap

The growing space market in Dar es Salaam with increasing tenant options for space has challenged investors to identify the peculiar preferences. Some studies seem to take place but in some submarket and mostly with the perspective of consultants. The tenants' perspective has not been given priority in many studies thus giving more hardship to capture the market reality regarding preferences. Some submarket are studied in some aspects of preferences whereas others are not yet studied including office space market. Still, this is the most vibrant space investment in Dar es Salaam. These made it worthy of studying by applying methodologies which have been used by researchers in other countries in related study.

4 Research Methods

Survey method was used through administration of questionnaires by a researcher to tenants and property managers in the commercial office buildings in Dar es Salaam CBD. A sample of 93 comprising 81 tenants and 12 property managers from 12 commercial office buildings owned by both government corporations and privately owned were reached out. Successfully, a response rate of 68%(63 respondents) out of the contacted sample was attained and such has been a benchmark for analysis and conclusion. The questionnaire gathered data on numerous factors that may influence the tenant office occupation decision. A summary of the comprehensive set of factors and sub factors that are potentially relevant to office occupation decisions is illustrated in Table 1.

Table 1Summary of list of factors ranked by tenants and property managers

| <i>Office occupation decisions</i> | <i>Factors</i> |
|------------------------------------------------------------------------------|----------------------------------------------|
| Preferences of prospective tenants when selecting an office premise to rent. | Location |
| | Rent and lease terms |
| | Property (building) management reputation |
| | Building services provided |
| | Building condition (design and appearance) |
| | Reputation of letting agents |
| | Nature (type) of premise ownership |
| Keep factors for tenant in a certain premise | The building management practice |
| | Building services provided |
| | Business performance |
| | Cost of vacating/acquiring new space |
| | Business address (reputation at place) |
| | Absence of alternative premise |
| The push factors to tenants after acquiring the building | Business underperformance |
| | Attraction from other premises |
| | Rental review and lease terms |
| | Building defections |
| | Poor building services provision and quality |

5 Data Analysis and Discussion

The Relative Importance Index (RII) analysis was applied on the data collected by the Likert scale of 5 and 7. The inbuilt computer software of Microsoft Excel was used for RII analysis by applying the following formula:

Equation 1.1: Relative Importance Index Formula

$$RII = \frac{\sum W}{(A \times N)} \quad (0 \leq RII \leq 1) \quad (1)$$

where:

RII - is Relative Importance Index

W – is the weight given to each factor by the respondents and ranges from 1 to 5 and 7.

A – is the highest weight (i.e. 5 and 7 as the case applied)

N – is the total number of respondents.

RII \geq 0.5 for any factor was considered important whereas the RII $<$ 0.5 the factor was considered not important save for the cases where approximations were applied to the nearly positive.

The Likert scale for the responses on the factors attracting tenants to commercial office premise as well as the keep and push factors had numbers with the following assigned weights as follow:

7=Most important, 6=More important, 5=Important, 4=Moderate important, 3=Low importance, 2=Lower importance, 1=Very low importance.

5.1 Reliability

The reliability of data was assessed using the Cronbach's Alpha as a way of measuring the strength of consistency. The Cronbach's alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items. It is computed by correlating the score for each scale item with the total score for each observation (usually individual survey respondents or test takers), and then comparing that to the variance for all individual item scores. Therefore, Cronbach's alpha is a function of the number of items in a test, the average covariance between pairs of items, and the variance of the total score as shown in Equations 2 to 4. The value of the Cronbach's alpha coefficient ranges from 0 to 1 in providing the overall assessment of reliability. The Cronbach's alpha coefficient is 0 if all of the scale items are entirely independent from one another and it approaches 1.0 when all items measure only the true score and there is no error component. In other words, the higher the Cronbach's alpha coefficient, the more the items have shared covariance and have relatively high internal consistency. Table 2 gives the reliability assessment as adopted by Zeb, et al in 2015.

Taking the measured quantity which is a sum of K components/items:

$X = Y_1 + Y_2 + \dots + Y_k$; Cronbach's α is defined as follows :

$$\alpha = \left(\frac{k}{k-1} \right) \left(\frac{\sum_{i=1}^k \sigma_{y_i}^2}{\sigma_x^2} \right) \quad (2)$$

where: k refers to the number of scale items

$\sigma_{y_i}^2$ refers to the variances associate with items i

σ_x^2 refers to the variance associated with the observed scores

If the items are scored 0 and 1, the following shortcut formula is used:

$$\alpha = \frac{K}{K-1} \left(1 - \frac{\sum_{i=1}^K P_i Q_i}{\sigma_x^2} \right) \quad (3)$$

Where P_i is the proportion scoring 1 on item i , and $Q_i = 1 - P_i$

Alternatively, Cronbach's α can be defined as follows:

$$\alpha = \frac{k \times \bar{c}}{v + (k-1)\bar{c}} \quad (4)$$

where: k refers to the number of scale items

\bar{c} refers to the average of all covariance s between items

\bar{v} refers to the average variance of each items

Table 2 Guidelines for assessing the reliability(Zeb, et al., 2015)

| <i>Range of α</i> | <i>Reliability</i> |
|-------------------------------------|--------------------|
| 0.9 and above | Excellent |
| 0.7 – 0.9 | High |
| 0.5 - 0.7 | Moderate |
| 0.5 and below | Low |

Table 3 Results for the Reliability Test of the Factors Examined

| <i>Factors</i> | <i>Cronbach's Alpha</i> |
|----------------------------|-------------------------|
| Premise attracting factors | 0.417395 |
| Keep factors | 0.524123 |
| Push factors | 0.469324 |

The Test Results for Reliability are presented in Table 3. The measure for keep factors is presented to be sound moderate with Alpha above 0.5 (i.e. 0.524). The measure for the push factors lies a little below moderate range i.e. 0.469 which is approximately moderate and worthy relying upon to make conclusion. Concerning the attracting factors, the test result is 0.417 which appears sufficiently falling into low level of reliability. However, it is considered that 7 factors in this test are involved contrary to other tests which have only five factors. Such observation gives confidence to depend on the results and regard the conclusion made to be genuine.

5.2 The nature of responded Tenants

Most tenants in commercial office buildings in Dar es Salaam are companies. Private individual offices follow with high number above government offices which include ministerial departments and agencies as tenants. Out of 54 responded tenants, 37 are companies, 11 are private individual/personal offices while 6 are government based office tenants (Table 4).

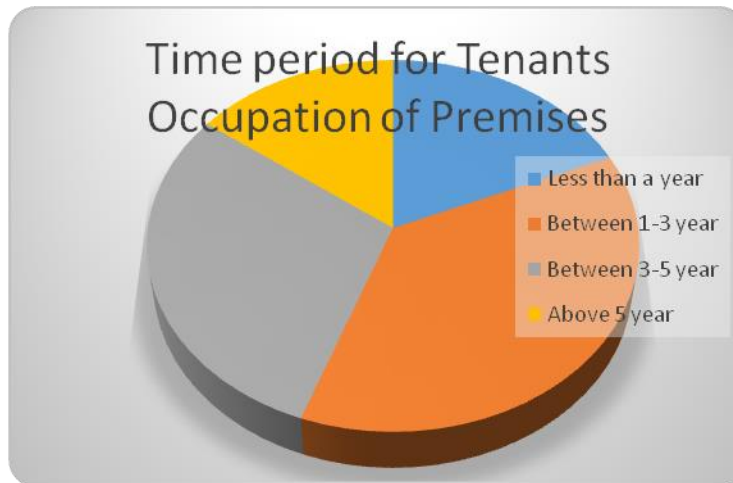
Table 4 Nature of Tenants in Dar es Salaam Commercial Office Buildings

| <i>Nature of Tenants' Activities</i> | <i>Frequency</i> | <i>%</i> |
|--------------------------------------|------------------|-------------|
| Company Offices | 37 | 69% |
| Individual Offices | 11 | 20% |
| Government Offices | 6 | 11% |
| Total | 54 | 100% |

5.3 Space occupation period

Most tenants tend to stay in their demised office spaces for long periods in Dar es Salaam. Up to 67% of responded tenants have stayed in their respective premises between one and five years as shown in Figure 1.

Figure 1 Period of Space Occupation by Tenants



5.4 Practices of lease renewal

The study has realized that most tenants stay for reasonably long period in their leased premises, one way is through renewing the leases. Most of responded tenants have renewed the leases in their currently occupied spaces (Table 5).

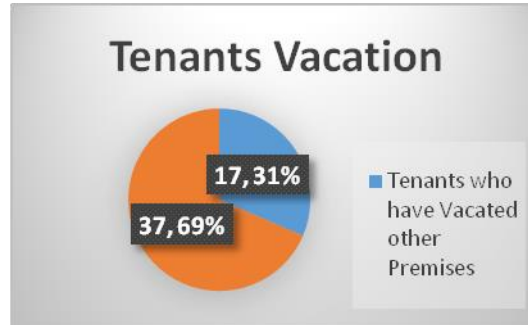
Table 5 Status of Lease Renewal among Tenants

| <i>Lease Renewals</i> | <i>Number of Tenants</i> | <i>%</i> |
|-------------------------------------|--------------------------|----------|
| Tenants who have Renewed Leases | 40 | 74% |
| Tenants who have Not Renewed Leases | 14 | 26% |
| Total | 54 | 100% |

5.5 Frequency of acquisition and vacation of premises

Since most tenants don't prefer vacating the buildings as proved by their long stay in building, it is materially correct to have lower vacation rate. For the 54 tenants who participated in this study, only 17 have vacated other premises to occupy their current spaces (Figure 2).

Figure 2 Practice of tenants’ vacation of buildings



5.6 Involvement of Property Managers

In Dar es Salaam, most class A and B commercial office buildings are managed by Real Estate Companies. However, direct landlord’s involvement of individual property manager still operates. About 73% of the past employment of contacted property managers was employed by companies while the remaining were being employed directly as individual property manager by landlords (Table 6).

Table 6 Nature of Property Management Employment

| <i>Property Management Employment</i> | <i>Frequency</i> | <i>%</i> |
|-----------------------------------------------------|------------------|-------------|
| Number of Property Managers | 9 | |
| Employed by Real Estate Company | 24 | 73% |
| Employed Individually by Property Owner | 9 | 27% |
| Total | 33 | 100% |
| Average buildings per Property Manager participated | 4 | |

Factors attracting tenants to commercial office building

The study has discovered that the mostly attracts tenants to a certain premise in Dar es Salaam is Location, followed by services provided in it and rent and lease term. Building condition and reputation of management of the building follow whereas influence and reputation of letting agent and nature of ownership have appeared with the least relative influence to tenants’ choice of the office premise in Dar es Salaam (Table 7).

Table 7 The Attracting Factors

| Factors | Weight Scores | | | | | | | Total | W | RII | RANK |
|-------------------------------------------|---------------|---|---|---|---|---|---|-------|----|--------|------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | |
| Location | 0 | 0 | 0 | 1 | 2 | 2 | 4 | 63 | 41 | 0.9387 | 1 |
| Rent and Lease Terms | 0 | 2 | 5 | 7 | 2 | 2 | 5 | 63 | 32 | 0.7392 | 3 |
| Reputation of Building Management | 3 | 2 | 2 | 1 | 3 | 0 | 0 | 63 | 17 | 0.4036 | 5 |
| Building Services | 0 | 0 | 0 | 3 | 1 | 2 | 3 | 63 | 39 | 0.8888 | 2 |
| Building Conditions | 0 | 1 | 2 | 2 | 6 | 1 | 0 | 63 | 22 | 0.4988 | 4 |
| Influence and Reputation of Letting Agent | 2 | 1 | 2 | 5 | 0 | 0 | 0 | 63 | 13 | 0.3061 | 6 |
| Nature of Ownership | 2 | 2 | 1 | 0 | 0 | 0 | 0 | 63 | 11 | 0.2698 | 7 |
| | 5 | 0 | 8 | | | | | | 9 | 41 | |

W = Total score for a factor
 RII = Relative Importance Index

5.6 Factors that keep tenants in commercial office buildings

The study has found the services provision in the building to be the most important followed very closer by business performance and cost of vacating the building. Maintenance management and business address respectively appears at the least level of preferences as seen in Table 8.

Table 8 Factors to keep tenants in commercial office buildings

| Factors | Weight Scores | | | | | | | Total | W | RII | RANK |
|-------------------------------------------|---------------|----|----|----|----|----|-----|---------|---|-----|------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | |
| Building Maintenance Management | 20 | 25 | 10 | 5 | 3 | 63 | 135 | 0.42857 | 4 | | |
| Building Services | 3 | 7 | 10 | 18 | 25 | 63 | 244 | 0.77460 | 1 | | |
| Business Performance | 6 | 9 | 13 | 15 | 20 | 63 | 223 | 0.70793 | 2 | | |
| Cost of Vacation/Acquisition of New Space | 9 | 4 | 25 | 10 | 15 | 63 | 207 | 0.65714 | 3 | | |
| Business Address | 26 | 24 | 8 | 2 | 3 | 63 | 121 | 0.38412 | 5 | | |

| |
|---------------------------------|
| W = Total score for a factor |
| RII = Relative Importance Index |

5.7 Factors that push tenants out of commercial office building

The study has discovered that tenants in Dar es Salaam are more prompted to leave the premise due to bad business performance followed by poor provision of services than other factors. Tenants are also sensitive to defecting condition of the building followed by rental reviews and lease restructuring whereas the attraction by other premise has proved to be of least preference in Dares Salaam office space market(Table 9).

Table 9The Push Factors that draws tenants away from commercial office buildings

| Factors | Weight Scores | | | | | Total | W | RII | RANK |
|---------------------------------------|---------------|----|----|----|----|-------|-----|---------|------|
| | 1 | 2 | 3 | 4 | 5 | | | | |
| Bad Business Performance | 0 | 0 | 8 | 20 | 35 | 63 | 279 | 0.88571 | 1 |
| Attraction by Other Premise | 30 | 27 | 6 | 0 | 0 | 63 | 102 | 0.32381 | 5 |
| Rental Review and Lease Restructuring | 20 | 15 | 18 | 10 | 0 | 63 | 144 | 0.45714 | 4 |
| Defecting Condition of the Building | 3 | 10 | 23 | 20 | 7 | 63 | 207 | 0.65714 | 3 |
| Poor Services Provisions | 1 | 3 | 10 | 30 | 19 | 63 | 252 | 0.8 | 2 |

| |
|---------------------------------|
| W = Total score for a factor |
| RII = Relative Importance Index |

5.7.1Concerning attracting factors

The most pressing preferences to tenants when choosing a space to lease for office activities in class A and B office space market are in order of their importance location, building Services and rent and lease terms. Location has in this study incorporated locality, accessibility and neighbourhood characteristics. Since most tenants are companies, they make it necessary that the location of an office is accessible to win their interests of their prospective customers among any other possible reasons. The desire to accommodate the employees is one of the reasons to locate the office in the most accessible location in sense that they can arrive on time. The result on this matter keeps in pace with the results from all other studies in developing and developed cities like Lagos and London by most recent studies which also put the location important above other factors (Araloyin& Olatoye, 2011 and Sanderson and Edwards, 2016). It is implied that location is the first to be considered by any investor when deciding to invest in commercial office space market in Dar es Salaam especially in classes A and B.

5.7.2 Building services

This aspect has been second ranked with relative importance of 0.88 closer to the location scores. This is attributed to the advancement in science and technology installed in the buildings by landlords and those made available by the tenants. For example, the need for internet to satisfy the need of tenants and their client, lifts influenced by the design of the buildings among other services are currently necessary services in the buildings. This requires well equipped service providers and maintenance experts. Anchor tenants are likely to suffer more from the premise with poor services since they occupy large space with many workers and many customers while subject to immobility. For whatever class of buildings for office space, the innovation to provide both quantity and quality service has to receive more priority.

5.7.3 Rent and lease terms

From the findings, this aspect emerged a third factor in level of importance to influence a tenant choice to the space after location and building services provisions. This does not imply that tenants are less sensitive to rent but the nature of ownership and tenancy practices are reasons behind these levels. Most Class A and B buildings being the most involved in this study are owned by government parastatals of which many of them are pension funds. This has the effects on rentals and rent reviews compared to those which are fully privately owned. The former are owned with public elements thus, do not often review rents. Consequently, tenants in them are not sensitive to the review clause. To the latter, tenants are alert on rental review and some lease terms including the break clause. To connect this to ownership, services provision and maintenance is of much more concern to private landlord than public parastatals which are crumbed by series of bureaucracy. The flexibility between tenants and landlord to arrive at consensus in reviewing and altering some provisions in lease agreements is very important.

5.7.4 Building condition

The study shows that building conditions pose a small influence to tenants space decision with relative importance index of 0.498, (~ 0.5) capable of being regarded as moderate important. Factors considered when judging building condition include age of the building, maintenance, quality of fittings, renovation and aesthetic appearance of the building. Tenants seem not to consider this aspect more important compared to the previous factors due to the following reasons:

- Tenants stays in the buildings quite long time as the study has found and most tenants occupy the space when they are in good state of repair and maintenance.
- The studied case buildings are Dar es Salaam CBD are of Classes of A and B which have not experienced deterioration to make it necessary for the vacation.

5.8 Keep factors

Concerning the factors which leads to tenants' retention even to renew the lease after the end of the term, building services, business performance, cost of vacation and cost of acquisition of new space have proved to be more influential. This shows the difference at first instance between the in-coming tenant attractions to the tenant to be retained. This is an alert to property dealers who put no different in factors preference variation as tenancy stages moved.

5.8.1 Building Services

As judged by respondents, building services has proved to be the factor which is seriously looked by tenants after they acquire the space with the relative importance index of 0.77 which is considered to be of high importance. As the result, current business needs to be operated in a conducive condition favorable for both clients/customers of tenants and employees. The current building designs are modern with advanced technology therein which is aimed at attaining the tenants' requirements whereas the installation requires assurance of complementary services. For example, the design to build the high-raised building with multiple spaces calls for installation of services like lifts. Such installation needs the presence of lift maintenance technicians. Some buildings management allows tenants to install services in their own space to sweet the demand since they are not supplied in the buildings.

Currently, investors in space market in Dar es Salaam are forced to install services like Internet with Wi-Fi to facilitate communication. The like services give accreditation to a premise compared to the building which lacks such service. Consequently, developers have to integrate new discovery in building services time to time to be able to keep them in the premises through renewing the leases.

5.8.2 Business Performance

The study presents this factor as a second ranking keep factor in Dar es Salaam office space market with relative importance index of 0.7 very close to service provision. This indicates that in spite of goodness of building, its management, affordable rents and good terms, tenants are less tolerant to stay in the space when the activities therein are not profitably convincing. Therefore, it is not only the building management or rents which results into vacation of tenants (which causes tenants to vacate a certain space) but also business performance. There is therefore a little chance to retain a tenant whose business operation profits less and lesser.

5.8.3 Cost of Vacation and Acquisition of New Space

This factor has retained adequate degree of importance to keep the tenant in a premise with relative importance index of 0.65. The analysis of characteristics of tenants shows that most of them are companies with relatively lower number of government agencies and individual consultant's offices. Companies are less mobile due to high cost of vacation. The reason behind is the fact that most spaces are not fully furnished; therefore, tenants get into a premise with their own furniture which is harder to such big companies. Normally, it is always hard to find

appropriate space even when a tenant thinks of vacating a current space. This results into tolerating some more issues compared to the small tenants.

Cost of acquiring new space is another factor with high time and cost implication in Dar es Salaam office space market. This is caused by the presence of relatively lower products mix and supplier's competition which could provide more varieties for prospective tenants to make choice. This limits the flexibility and comparability of the various premises and as a result, cost of acquiring a new space is higher enough to discourage a grieved tenant whose next option is to tolerate some unnecessary issues than vacating. Investors ought to care about tenants' satisfaction despite the existing retention experienced which may not have been contributed by building fitness.

5.8.4 Building Maintenance Management

Maintenance management of the building has scored below the average level of importance with relative importance index of 0.4. This implies that tenants trouble too least to consider whether the premise management is working as expected or not especially after expiry of the lease term. It is possible that few services are being provided for tenants to pay huge amount for service charges to make them more concerned. Again, property managers may be spending service charges and operate maintenance per schedules properly such that tenants cannot raise doubt of importance. Both assertions work with influence of who owns between public and private. It therefore convinces that investors should appreciate involvement of well-organized professional property management.

5.8.5 Business Address

This criterion has been portrayed as a least of all criteria in terms of importance in Dar es Salaam office space market with lowest rank of 5 by obtaining a relative importance of 0.38 though closer to maintenance management. The result on this criterion cannot correctly be interpreted without considering the tenancy experience of the respondents. Despite the acceptance of its rank, most respondents have never been in circumstance moving their business operation from place to place. The type of business, based on size, is another issue which is likely to keep this criteria lower of them all. Government offices for example, offer services to the general public whereby the citizens tend to follow whatever location. This is worth implying that the change of office location doesn't pose a huge impact to the business operations.

The invention in this age of ICT facilitates the communication between company tenants with their clients without necessity of meeting in the office which works effectively for individually operated offices. Typical offices may be operated by individuals who may have direct contacts with their respective customers, this allows business to continue as usual enough to check the effects suffered by anchor tenants. As a result, it reduces the risk of losing customers despite the shift of office.

5.9 Push factors

The vacation of the space is one of the big expenses to any property investment, office space being one of them. The most triggering factors for tenants to vacate in order of their importance are bad business performance, poor services provisions, defecting condition of the building, rental review and lease restructuring. These factors are in control by both tenants and property managers. Such results give an answer to the debate whether the push factors are the replica to the pull factors, although the experience in Dar es Salaam proves differently.

5.9.1 Bad Business Performance

This has been ranked the first factor with a relative importance index of 0.88, signifying an excellent factor. This means most tenants are triggered to leave a certain space when they experience the underperformance of their businesses. The question would be where do they go? The movement of tenants in such circumstance is simply seeking a space with a little lower cost of acquiring and occupying. That explains the necessity of composite product in good mix to accommodate differed needs of tenants in different circumstances. One tenants with lowering business returns is likely to opt for the lower class space quality to reduce cost. This result provides another opportunity for investors to be keen of.

5.9.2 Poor Services Provisions

Accordingly, this factor is appearing at a high level of importance ranking the second with a relative importance index of 0.8 to cause a tenant to vacate premise. The implication is that the question of services provision in those buildings is becoming sensitive to tenants. It is reasoned that tenants and their customers are exposed to the varieties of designs both within and outside this market. Hence, they wish to get the same utility as they rent. Property managers hold huge role to ensure the proper provision and maintenance of services including identifying the type of services demanded by tenants in a certain premise.

5.9.3 Defecting Condition of the Building

This factor has retained a considerable degree of importance with an index of 0.65 that sounds enough to locate it on third rank. In Dar es Salaam office space market specifically in the CBD, there is a lesser possibility of tolerating the deteriorating buildings. Tenants can easily vacate the building when they notice sort of serious deterioration. The analysis on vacation frequency does not support this result hence; these are some issues behind the situation.

- First, there are varieties of choice added to tenants almost every year. This is a challenge to investors which reduce the possibility of the building to deteriorate to the degree of inhabitability such that tenants are forced to vacate it. As a result owners of older growing buildings take haste to timely maintenance before tenants vacate.
- Also, the fast growth of space market gives a little room for helplessly deteriorating buildings to survive the market. Also, most prominent office premises in the market are

new. This implies tenants are not acquainted to the lease in older growing buildings thus lack considerable degree of sensitivity to these criteria.

5.9.4 Rental Review and Lease Restructuring

This factor ranked lower below the average level of 5 by having a relative importance of 0.45 though approaching the point of importance. At large this is affected by the fact that the lease restructuring and rental reviews are not frequently practiced in Dar es Salaam space market depending on who owns the premises between private and public investors. When it is necessary to do either of these, parties usually reconcile through initiatives by property manager who are aimed at retaining tenants. Since the space market is operating under market conditions, even the private landlords are not aggressive lest, their premises are left empty by renters. As the results, it is quite in order for the respondents to rank at this level on those bases.

5.9.5 Attraction by Other Premise

The fact of premise competition through new premises attracting tenants in existing premises in Dar es Salaam space market does not seem to be considered important by tenants as evidenced by the relative importance index of 0.32 which lies below the average importance. Again, some tenants do not opt for new space products introduced in the market due to some reasons including:

- The fear that the newly developed premises with new designs and services are expensive for them to afford. Again, the fear of losing a usual business address and some customers who are not ready to suffer confusion.
- The challenge posed by tenant's competitor may be one of the reasons to hesitate from vacating the premise.
- The prominence of the currently occupied building which adds to the reputation of occupying tenants cannot be overlooked as a reason to why tenant may not chose a new constructed premise.

6 General Conclusion

Generally, investors and their respective agents including property managers have the role to ensure that the profitability of investment is met. The study revealed the shift in priorities or degrees of importance of factors as changing from one tenancy stage to another. This requires the conduction of studies to identify the attracting factors at time and perception of tenants over preferences and satisfaction while in buildings. The profitability of such long lasting investment is within the ability of the investors through agents to retain tenants than its ability to get new tenants. This returns the matter to property managers who must ensure that the preferences of tenants after getting in the building are fulfilled.

Again, following the change in priority as in different leasing stages, the study has signed the change in premise taste to tenants at different time geared by new invention in services and whole property industry demonstrated by the new properties being developed in Dar es Salaam.

6.1 The way forward

6.1.1 To investors

- It is very important to incorporate the need of prospective tenant seeking a space subject to the series provided by this study.
- Commissioning various studies before and after establishing the premise-in operation. Feasibility studies on the project specific base analyzing the physical possibility and financial viability is very important for the successfulness of investment in office space market. Studies for the ongoing investment study to identify the present tenant's preferences and perception to retain them. This is due to fact that the innovation and raising buildings poses varieties of choices to tenants. Tenants have the changing needs influenced by their customers or their desire to expand for which studies needs to be conducted to retain them in the buildings.
- Engaging the professional property managers to handle the building management activities. Some tenants are impressed by professionalism in management especially huge corporation and foreigners. It should be known that property management ranges from knowledge in legal issues to be able to write and management lease contracts to physical understanding of the building which involves being acquainted with services and service systems. Moreover, real estate background to a property manager is another important knowledge to be possessed by a good professional property managers for discerning issues related to real estate market like rentals. People who are not equipped in those areas can hardly accommodate effectively the market demand of office space investment.

6.1.2 To property managers

- Property managers are required to exercise professionalism in office premise management. Exercising due diligence in areas related to service charges management, hiring the reliable service providers, enhancing communication and adequate reporting are among the most important expression of the professional orientation of management practice.
- Creation of the feedback based communication between tenants and property managers. There are many decisions which are done by landlord and property manager but may or may not sound to tenants who are customers in a property. A well-developed communication will provide strong feedback and in lease tenants preference. This can be achieved through property manager's walk out or calling for views from tenants.
- Quantity and quality services provision and supervision. Property managers are required to advise the landlord on the services to provide in the building. After those services are provided, supervision becomes a task of property manager. Building may have well

installed services but without a good management, they may annoy tenants. This can be attained by hiring the reliable service providers and effectively supervise them to satisfy the tenants.

- Adoption of the customer based approach to management. This kind of management skills requires a property manager to understand tenants as his customers in daily operations. It is a culture of customer caring and request opinions and suggestions from tenants to incorporate them from wellbeing of tenants and satisfactions.

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