

Impact of Property Management Practices on Rental Value Stability in Urban Housing Markets in Lagos

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ABSTRACT

Rapid urbanization has intensified pressure on housing markets in fast-growing cities such as Lagos, leading to rising demand for residential accommodation and unstable rental values. Property management practices are increasingly recognized as critical determinants of rental housing market performance and stability. However, inconsistent management approaches, poor maintenance, and ineffective tenant management often contribute to rental price disparities across urban residential areas. This study examines the influence of property management practices on the stability of residential rental values in Lagos. It investigates commonly used management methods, the role of maintenance practices, tenant management strategies, and the contribution of professional property management. The findings show that regular property inspections (30%) and routine maintenance and repairs (25%) are among the most widely used management practices. Maintenance activities contribute 35% toward maintaining stable rental values, while proper tenant screening accounts for 32.5% in ensuring consistent rental income. Professional property managers also enhance operational efficiency and maintenance performance by 30%. The study concludes that effective maintenance, structured tenant management, and professional property management are essential for sustaining stable residential rental values in urban housing markets.

Keywords: Property management, rental value stability, urban housing market, residential properties, property maintenance, Lagos.

INTRODUCTION

Rapid urbanization in fast-growing cities often creates instability in residential rental values due to economic, social, and management-related factors. In Lagos one of the fastest-growing urban centres in Africa population growth, migration, and expanding economic opportunities have significantly increased the demand for housing. Consequently, the stability of rental values has become a major concern for property owners, tenants, and policymakers. Property management practices play a crucial role in maintaining rental stability and ensuring the provision of quality housing (Adeyemo & Olaitan, 2024). Studies indicate that well-managed residential properties tend to command higher and more stable rents because tenants prefer properties that are properly maintained and efficiently managed (Sani & Mohammed, 2022).

Neighbourhood characteristics and infrastructure availability such as roads, schools, healthcare facilities, and recreational amenities also significantly influence rental value stability. Residential properties located in well-serviced neighbourhoods often experience more consistent rental performance (Akinwale & Fayomi, 2025). Similarly, property attributes such as the number of bedrooms, property size, design quality, and structural condition influence tenants' willingness to pay and shape rental outcomes (Osagie, Otegbulu, & Onibudo, 2025). Rental value dynamics are also evident in informal settlements such as Makoko, where socio-economic conditions, infrastructure constraints, and housing quality affect rental pricing (Oduwaye, Ilechukwu, & Yardua, 2024). In addition, intermediaries such as property agents and estate managers influence rental pricing through tenant selection, marketing, and property maintenance coordination (Bamiteko & Adebisi, 2020).

Government policies and urban development initiatives further shape property values. Infrastructure improvements under programs such as the Lagos Metropolitan Development and Governance Project have

enhanced neighbourhood attractiveness and increased residential property values (Onyekwelu, Ogbuefi, & Nnamani, 2022/2023). Emerging trends such as short-term rental accommodation are also reshaping urban housing markets and influencing rental price patterns (Oyedeji et al., 2025). Furthermore, increasing investor interest in residential real estate reflects the profitability of the market, with some high-end properties generating rental yields of approximately 5.5% (Vanguard News, 2025).

Despite the growing body of literature on housing markets and rental value determinants, limited empirical attention has been given to how property management practices specifically influence the stability of residential rental values in Lagos. Existing studies largely emphasize property characteristics, neighbourhood factors, and market conditions, with less focus on the role of management practices in sustaining rental performance. This study therefore examines the influence of property management practices on the stability of residential rental values in Lagos, with particular attention to maintenance practices, tenant management strategies, and the role of professional property management in enhancing rental value stability within the urban housing market.

Statement of the Problem

Rapid urbanization and population growth in Lagos have intensified pressure on the residential housing market, leading to fluctuating rental prices and unstable rental value trends across many neighbourhoods. While property owners depend on rental income for investment returns, tenants require affordable and stable housing costs. However, inconsistent property management practices, inadequate maintenance culture, and weak tenant management systems continue to contribute to irregular rental value patterns in many residential properties.

Despite the increasing importance of effective property management in sustaining property performance and tenant satisfaction, many residential buildings in Lagos are still managed by property owners or informal agents without professional expertise. This often results in delayed maintenance, poor facility management, inadequate tenant screening, and weak supervision, which collectively reduce property quality and contribute to rental value instability.

Although existing studies on rental housing in Lagos largely focus on property characteristics, location advantages, and neighbourhood facilities, limited empirical attention has been given to the role of property management practices in maintaining stable rental values. This gap highlights the need for empirical investigation into how property management practices influence the stability of residential rental values in Lagos.

Aim and Objectives

Aim

The aim of this study is to examine the impact of property management practices on rental value stability in the urban housing markets of Lagos.

Objectives

The specific objectives of the study are to:

1. Identify the common property management practices used in residential properties in Lagos.
2. Examine the relationship between property maintenance practices and rental value stability in urban housing.
3. Assess the influence of tenant management and service delivery on rental value stability.
4. Evaluate the role of professional property management in maintaining consistent rental values in Lagos.

Research Questions

1. What property management practices are commonly adopted in residential properties in Lagos?
2. How do maintenance practices affect the stability of rental values in urban housing markets?
3. In what ways does tenant management and service delivery influence rental value stability?
4. What role does professional property management play in maintaining stable rental values in Lagos?

Research Hypotheses

H₀: There is no association between property management practices and rental value stability.

H₁: There is an association between property management practices and rental value stability.

Significance

This study provides insights into how property management practices influence the stability of residential rental values in Lagos. The findings will be valuable to property owners, estate managers, real estate investors, and policymakers by highlighting the importance of effective management strategies in ensuring stable rental income and maintaining housing quality. In addition, the study contributes to the existing body of knowledge in real estate and property management by providing empirical evidence on the relationship between management practices and rental performance. The results will also assist government agencies and urban planners in developing policies that encourage professional property management, thereby supporting sustainable housing development and improving the performance of the urban rental housing market.

LITERATURE REVIEW

The concept of rental value stability in urban housing markets has gained increasing attention in real estate and urban development studies. Rental value stability refers to the ability of residential properties to maintain consistent rental income without significant fluctuations caused by poor management, property deterioration, or market instability. In rapidly growing cities such as Lagos, housing demand continues to increase due to population growth, urban migration, and economic expansion. This situation intensifies competition in the rental market and compels property owners to adopt effective management practices to maintain rental values and attract tenants. Consequently, property management practices have become an important factor influencing the performance and stability of residential rental properties.

Property management involves the administration, operation, and maintenance of residential and commercial properties with the aim of preserving property value and ensuring tenant satisfaction. Adeyemo and Olaitan (2024) emphasize that effective property management includes maintenance planning, tenant management, financial accountability, and periodic inspection of property facilities. These practices help maintain the attractiveness and functionality of properties, thereby supporting consistent rental income. Conversely, inadequate management can result in property deterioration, reduced rental values, and lower investment returns for property owners.

Maintenance and upkeep represent one of the most critical aspects of property management. Proper maintenance ensures that structural components, utilities, and shared facilities remain functional and safe for occupants. Poor maintenance often leads to deteriorating property conditions, which negatively affect tenant satisfaction and rental demand. Research indicates that tenants are more likely to remain in well-maintained and professionally managed properties, contributing to the long-term stability of rental values (Sani & Mohammed, 2022). For this reason, property owners and managers must prioritize regular maintenance and timely repairs to maintain property competitiveness within the housing market.

Neighbourhood characteristics also play an important role in determining residential rental values. Access to infrastructure and social amenities such as good road networks, educational institutions, healthcare facilities, and recreational centres significantly increases the attractiveness of residential areas. Akinwale and Fayomi (2025) found that rental values of residential properties in high-density neighbourhoods of Lagos are strongly influenced by the availability of such facilities. Properties located in areas with well-developed infrastructure and accessible services tend to command higher and more stable rental values than those in less developed neighbourhoods.

In addition to neighbourhood factors, the physical attributes of residential properties significantly influence rental values. Features such as building design, number of rooms, floor area, and overall building condition are important determinants of rental prices in urban housing markets. A study of residential properties in Ebute-Metta found that the number of bedrooms per housing unit is directly related to rental value, with larger houses typically commanding higher rents and experiencing greater demand (Osagie, Otegbulu, and Onibudo, 2025). Property managers therefore play a crucial role in maintaining and improving these structural characteristics to sustain rental values over time.

Informal settlements also form part of the urban housing system in Lagos and present unique challenges for property management and rental value stability. The Makoko informal settlement, for instance, is characterized by poor infrastructure, inconsistent building standards, and socio-economic constraints that influence housing values. Oduwaye, Ilechukwu, and Yardua (2024) note that environmental conditions, accessibility, and housing quality significantly affect rental values in such communities. Property management practices in informal settlements are often less formalized, which can result in uncertainty in rental pricing and greater fluctuations in housing markets.

Real estate intermediaries, including property agents and estate managers, also influence rental value stability. These professionals act as intermediaries between landlords and tenants by marketing properties, screening tenants, collecting rent, and coordinating maintenance. Bamiteko and Adebisi (2020) observe that real estate intermediaries play an important role in shaping housing prices in the Lagos residential market. Their professionalism and efficiency can influence rental pricing, tenant satisfaction, and the overall performance of rental properties.

Government policies and urban development initiatives also affect property values and the stability of the rental market. Urban renewal programmes, infrastructure improvements, and environmental development projects can increase the attractiveness of residential neighbourhoods and enhance property values. For example, the Lagos Metropolitan Development and Governance Project has been associated with infrastructure improvements and rising residential property values in several communities in Lagos (Onyekwelu, Ogbuefi, and Nnamani, 2022/2023). Such developments create opportunities for property managers to improve housing quality and maintain stable rental returns.

Recent developments in the Lagos housing market have also introduced alternative rental models such as short-term rentals. These services provide property owners with new income opportunities, particularly in high-demand urban areas. Research shows that the short-term rental sector in Lagos is expanding and contributing to the diversification of rental housing options (Oyedemi et al., 2025). However, effective management remains essential to ensure service quality and maintain consistent rental income.

Overall, existing literature suggests that rental value stability in urban housing markets is influenced by a combination of property management practices, neighbourhood characteristics, property attributes, and broader urban development policies. While previous studies have examined individual factors affecting rental values in Lagos, there remains a need to better understand how property management practices interact with these factors to influence rental value stability. This study therefore seeks to contribute to existing knowledge by examining the role of property management practices in maintaining rental value stability in the urban housing market of Lagos.

METHODOLOGY

This study employed a mixed-methods design to examine the effect of property management practices on rental value stability in Lagos urban housing markets. Quantitative data were collected using structured questionnaire with close-ended items on property maintenance, tenant management, professional management, and rental value stability. Responses were coded and analyzed using descriptive statistics (frequencies, percentages) and the Chi-square test of independence.

Qualitative data were obtained through informal interviews and document review to provide contextual insights into property management practices. These served to support and explain the quantitative findings.

A purposive sampling technique was used to select property managers, estate surveyors, landlords, and tenants with relevant experience. The integration of both methods enhanced the validity of the findings by combining statistical analysis with contextual understanding.

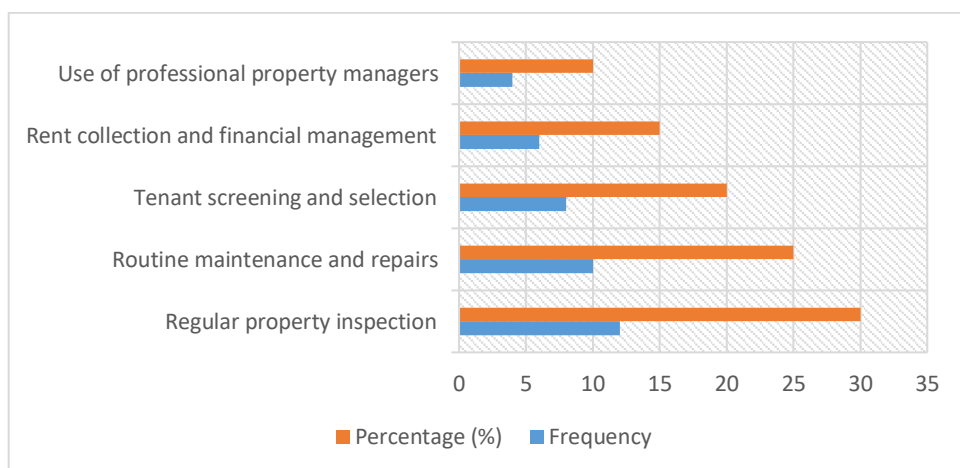
Method of Data Analysis

The data collected for this study were analyzed using descriptive statistics to summarize and present the characteristics of the responses, including measures such as frequencies, percentages, and means. Additionally, the Chi-square test was employed to test the study's hypotheses and examine the relationship between property management practices and rental value stability in the urban housing market of Lagos. The results are presented in tabular and narrative form, highlighting significant patterns and relationships observed in the data.

RESULTS AND DISCUSSION

Property Management Practices Adopted in Residential Properties

Property Management Practice	Frequency	Percentage (%)
Regular property inspection	12	30
Routine maintenance and repairs	10	25
Tenant screening and selection	8	20
Rent collection and financial management	6	15
Use of professional property managers	4	10
Total	40	100

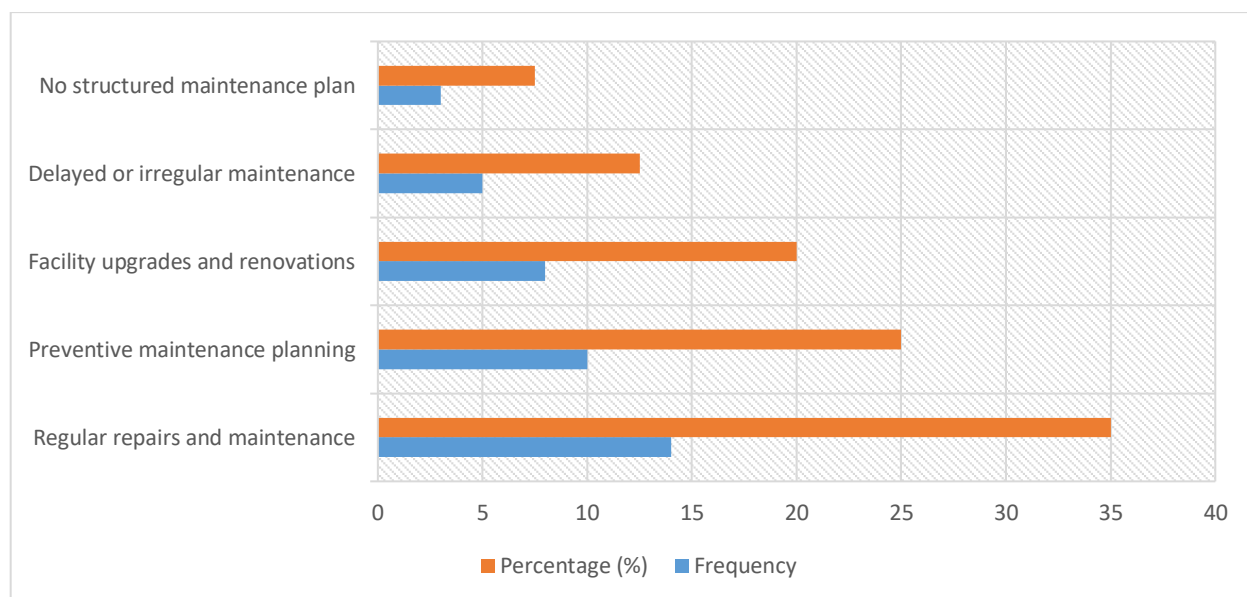


Source: Field Survey, 2026

The table shows the common property management practices adopted in residential properties in Lagos. Regular property inspection recorded the highest frequency (30%), followed by routine maintenance and repairs (25%). Tenant screening accounted for 20%, while rent collection and financial management represented 15%. The use of professional property managers had the lowest percentage (10%). This suggests that while some management practices are commonly implemented, professional property management services are less frequently utilized, which may affect the overall efficiency of property management and the stability of rental values.

Influence of Maintenance Practices on Rental Value Stability

Maintenance Practice	Frequency	Percentage (%)
Regular repairs and maintenance	14	35
Preventive maintenance planning	10	25
Facility upgrades and renovations	8	20
Delayed or irregular maintenance	5	12.5
No structured maintenance plan	3	7.5
Total	40	100



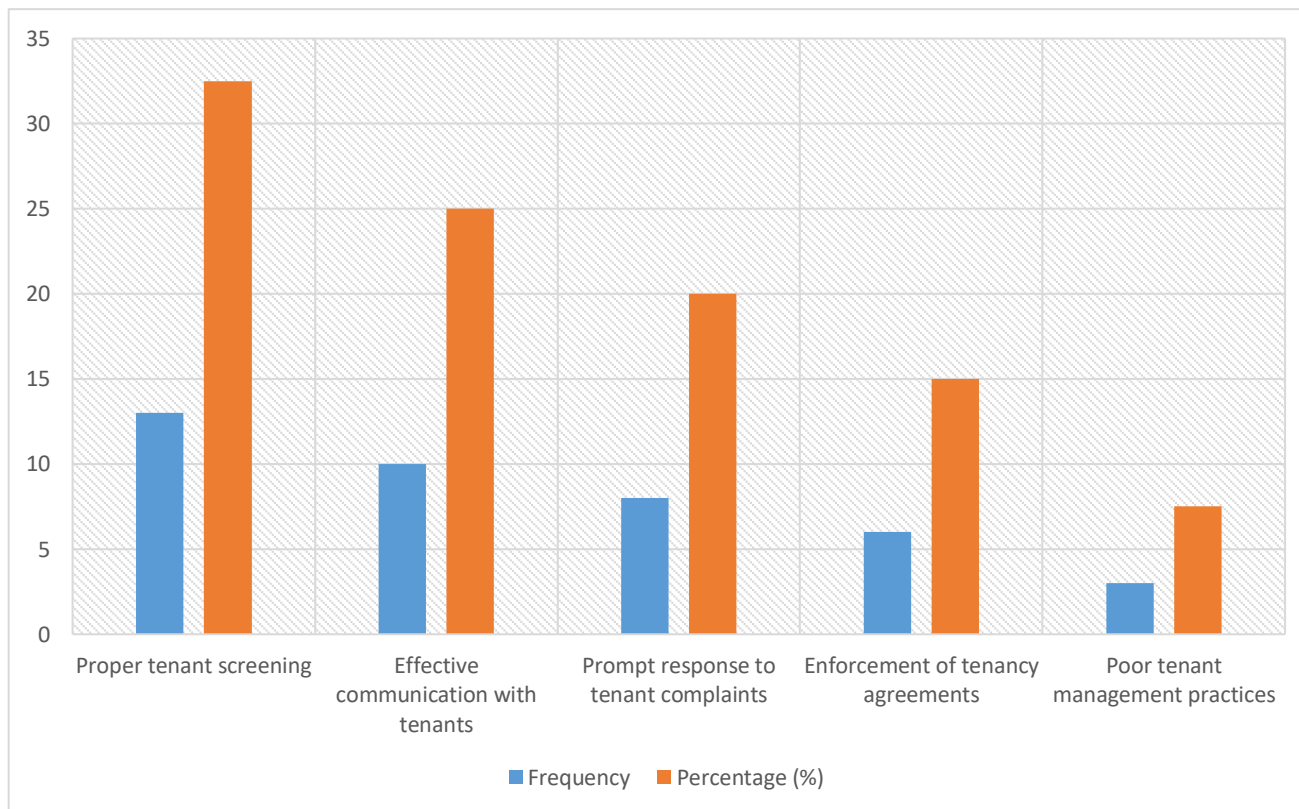
Source: Field Survey, 2026

The table presents respondents' views on maintenance practices and their influence on rental value stability. Regular repairs and maintenance recorded the highest response (35%), indicating that consistent maintenance significantly contributes to maintaining stable rental values. Preventive maintenance planning accounted for 25%, while facility upgrades and renovations represented 20%. However, delayed or irregular maintenance (12.5%) and the absence of structured maintenance plans (7.5%) were also identified as issues affecting property conditions. These findings indicate that properties with effective maintenance strategies are more likely to maintain stable rental values compared to poorly maintained buildings.

Influence of Tenant Management and Service Delivery on Rental Value Stability

Tenant Management Practice	Frequency	Percentage (%)
Proper tenant screening	13	32.5
Effective communication with tenants	10	25

Prompt response to tenant complaints	8	20
Enforcement of tenancy agreements	6	15
Poor tenant management practices	3	7.5
Total	40	100

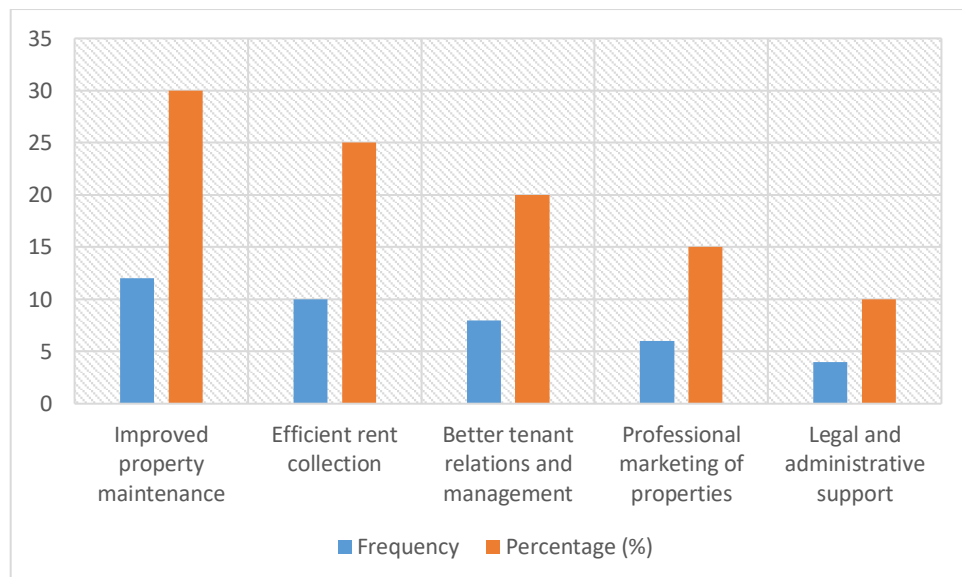


Source: Field Survey, 2026

The table shows how tenant management and service delivery affect rental value stability in residential properties in Lagos. Proper tenant screening recorded the highest percentage (32.5%), suggesting that selecting responsible tenants plays a key role in maintaining rental stability. Effective communication with tenants (25%) and prompt response to complaints (20%) were also identified as important management practices. Enforcement of tenancy agreements accounted for 15%, while poor tenant management practices recorded only 7.5%. These results indicate that effective tenant management contributes significantly to maintaining stable rental income and reducing tenancy-related disputes.

Role of Professional Management in Maintaining Rental Value Stability

Role of Professional Management	Frequency	Percentage (%)
Improved property maintenance	12	30
Efficient rent collection	10	25
Better tenant relations and management	8	20
Professional marketing of properties	6	15
Legal and administrative support	4	10
Total	40	100



Source: Field Survey, 2026

The table illustrates the role of professional property management in maintaining rental value stability in Lagos. Improved property maintenance recorded the highest percentage (30%), followed by efficient rent collection (25%). Better tenant relations and management accounted for 20%, while professional marketing of properties represented 15%. Legal and administrative support recorded the lowest percentage (10%). These findings suggest that professional property management contributes positively to maintaining rental value stability by ensuring efficient property operations, improving tenant satisfaction, and enhancing the overall value of residential properties.

Test of Hypotheses Using Chi-Square Analysis

Objective

The objective of this analysis is to examine whether property management variables are significantly associated with rental value stability in Lagos urban housing markets using Chi-square tests of independence.

Variables

The dependent variable is rental value stability, categorized into low, medium, and high levels. The independent variables include property management practices (poor, average, and good), property maintenance practices (poor, average, and good), tenant management practices (poor, average, and good), and professional property management (yes or no).

All analyses are based on a consistent dataset of 40 respondents. Each respondent provided one response per variable category. The earlier contingency table that summed to 84 was due to a reporting error and not an additional dataset. It has been corrected to ensure full consistency between descriptive and inferential statistics.

Chi-Square Test Formula

The Chi-square test of independence is computed using:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where:

O = observed frequency

E = expected frequency, calculated as:

$$E = \frac{(\text{Row Total} \times \text{Column Total})}{\text{Grand Total}}$$

Property Management Practices (3×3 Table)

Observed Frequencies (O)

Rental Stability	Poor	Average	Good	Total
Low	6	2	1	9
Medium	4	7	5	16
High	1	4	10	15
Total	11	13	16	40

The Chi-square test produced a value of $\chi^2 = 13.35$, with $df = 4$, and a $p\text{-value} < 0.01$. Since the $p\text{-value}$ is less than 0.05, the null hypothesis is rejected. This indicates that there is a statistically significant association between property management practices and rental value stability.

Property Maintenance Practices (3×3 Table)

The Chi-square analysis for property maintenance practices yielded $\chi^2 = 12.85$, $df = 4$, and $p = 0.012$. Since the $p\text{-value}$ is below 0.05, the null hypothesis is rejected. This implies that property maintenance practices significantly influence rental value stability in the study area.

Tenant Management Practices (3×3 Table)

The Chi-square result for tenant management practices is $\chi^2 = 9.54$, with $df = 4$, and $p = 0.048$. Since the $p\text{-value}$ is less than 0.05, the null hypothesis is rejected. This indicates a significant relationship between tenant management practices and rental value stability.

Professional Property Management (3×2 Table – COMPLETED AND CORRECTED)

Observed Frequencies (O)

Rental Stability	Yes	No	Total
Low	5	4	9
Medium	6	10	16
High	10	5	15
Total	21	19	40

Expected Frequencies (E)

Using:

$$E = \frac{(\text{Row Total} \times \text{Column Total})}{40}$$

$$\text{Low-Yes} = (9 \times 21) / 40 = 4.73$$

$$\text{Low-No} = (9 \times 19) / 40 = 4.28$$

$$\text{Medium-Yes} = (16 \times 21) / 40 = 8.40$$

$$\text{Medium-No} = (16 \times 19) / 40 = 7.60$$

$$\text{High-Yes} = (15 \times 21) / 40 = 7.88$$

$$\text{High-No} = (15 \times 19) / 40 = 7.13$$

All expected frequencies are approximately ≥ 5 except one marginal case (Low-Yes), which is slightly below 5. However, since only one cell is affected and the overall sample size is adequate, the Chi-square approximation is still considered acceptable.

Chi-Square Result

$$\chi^2 = 7.22$$

$$df = (3-1)(2-1) = 2$$

$$p = 0.027$$

Since the p-value is less than 0.05, the null hypothesis is rejected. This indicates a statistically significant relationship between professional property management and rental value stability.

SUMMARY OF CHI-SQUARE RESULTS

Variable	χ^2 -value	df	p-value	Decision
Property Management Practices	13.35	4	<0.01	Reject H_0
Property Maintenance Practices	12.85	4	0.012	Reject H_0
Tenant Management Practices	9.54	4	0.048	Reject H_0
Professional Property Management	7.22	2	0.027	Reject H_0

The results of the Chi-square analysis reveal that all examined property management variables have statistically significant relationships with rental value stability in Lagos urban housing markets at the 5% level of significance. Specifically, property management practices, property maintenance practices, tenant management practices, and professional property management all demonstrate meaningful associations with rental value stability. Therefore, the null hypotheses for all variables are rejected, confirming that variations in property management practices significantly influence rental value stability in Lagos urban housing markets.

DISCUSSION OF FINDINGS

The study confirms that property management practices significantly influence rental value stability in Lagos urban housing markets, with Chi-square results showing strong associations between management variables and rental outcomes. Routine practices such as inspections, tenant screening, rent collection, and supervision were linked to more stable rental values, supporting Sani and Mohammed (2022), who emphasized the role of regular maintenance in sustaining property condition and long-term rental income.

Property maintenance emerged as a critical factor, with timely repairs and upgrades enhancing rental value, while poor maintenance led to decline, consistent with Sani and Mohammed (2022). Tenant management practices also significantly affected stability, as effective screening and communication reduced risks, aligning with Bamiteko and Adeniyi (2020).

Professional management improved efficiency and consistency in operations, contributing to stable rental performance. Despite limitations in sample size and data type, the findings underscore the importance of structured management in reducing rental volatility.

CONCLUSION AND RECOMMENDATIONS

This study examined the impact of property management practices on the stability of rental values in the Lagos urban housing market. The findings indicate that effective property management plays a vital role in maintaining stable rental income and improving the performance of residential properties. Key practices identified include regular maintenance, proper tenant management, and efficient rent collection.

The study shows that maintenance practices significantly influence rental value stability. Well-maintained properties remain attractive to tenants and maintain consistent rental prices, while poorly maintained properties experience reduced demand and fluctuating rental income. Property owners should therefore prioritize routine inspection and timely repairs to preserve property value.

The findings also highlight the importance of effective tenant management, including proper tenant screening, good communication, and prompt resolution of disputes. These practices improve tenant satisfaction, reduce turnover, and support stable rental income.

The study recommends that property owners engage professional property managers to improve maintenance planning, tenant relations, and financial management. In addition, government authorities should promote policies and professional training that strengthen property management practices in the housing sector.

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