

EFFECTIVE PROPERTY MANAGEMENT STRATEGIES IN LEBANON: Navigating Challenges and Maximizing Returns

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Abstract: *Property management in Lebanon presents a multifaceted challenge due to the country's dynamic socio-economic and political environment. This abstract provides a concise overview of the strategies and considerations essential for effective property management in Lebanon. It underscores the significance of understanding the complex legal landscape, emphasizes tenant screening and relationship management, highlights maintenance and repair strategies, and emphasizes the importance of adaptive marketing and risk management techniques. Moreover, the abstract highlights the need for long-term investment planning and the integration of technology to streamline operations. By navigating these factors, property managers can optimize returns and maintain property values amidst Lebanon's unique challenges.*

Keywords: *Properties management – Property Assets – Strategies – Effectiveness – Efficiency – Operational Strategic Management –legal.*

I. Introduction

Property assets mean fixed assets like a land that has an infinite life; it does not depreciate and buildings have a limited life span, so it must be depreciated and considered with other resources-human, financial and information as key limited resources and lead to the success and development for all types of countries and organizations and for Thorncroft (1974) came with another definition of property management that is “the direction and supervision of an interest in landed property with the aim of securing the optimum return, this return need not always be financial, but may be in terms of social benefit, status, prestige, political power or some other goal or group of goals.” (P.3)

And for Collins (2023), it is recognized that successful property management requires a well-thought-out and comprehensive set of strategies that aim to optimize the value, efficiency, and profitability of these properties.

Numerous reports from the Audit Commission [1,2] and National Audit Office [3,7] reveal inadequate management practices in the public sector.

The major criticisms were the gap in the strategy approach to property management and the limited confession of the value of these assets by users and operational decision makers.

Property management in Lebanon is a dynamic and intricate endeavor that requires a comprehensive understanding of the country's distinctive socio-economic and political context. With a history marked by economic fluctuations, political uncertainties, and changing regulatory frameworks, property management professionals in Lebanon must adopt nuanced strategies to

ensure the successful management of real estate assets. This introduction provides an overview of the challenges and opportunities inherent in property management in Lebanon, setting the stage for exploring effective strategies that address these complexities.

Lebanon's landscape is characterized by a blend of historical charm and modern urban development, making it an attractive location for property investment. However, the sector operates within a context of rapid change, from legislative reforms to economic crises, necessitating adaptable approaches. Property managers must navigate these challenges while simultaneously capitalizing on the potential returns associated with Lebanon's unique real estate market.

This article delves into a range of strategies that property managers can employ to navigate the complexities of property management in Lebanon. From legal considerations to tenant management, maintenance practices to market analysis, and community engagement to technology integration, these strategies aim to provide a comprehensive toolkit for property managers to enhance their effectiveness in this dynamic environment. By embracing these strategies, property managers can foster sustainable growth, maintain property value, and contribute to the resilience of Lebanon's real estate sector.

II. Effective Operational Property Management: Theory and Practice

Effective operational property management is a critical aspect of the real estate industry, encompassing a comprehensive set of theories and practices that aim to optimize the day-to-day operations, financial performance, and overall value of real estate assets. It involves the efficient management and maintenance of properties to meet the needs of tenants, ensure legal compliance, and deliver satisfactory returns for property owners or investors. This article explores the key theories and practical strategies that underpin successful operational property management.

Operational property management involves the management and maintenance of public assets, facilities, and properties owned or operated by local governments. These assets can range from administrative buildings, parks, and recreation centers to schools, libraries, and public infrastructure that was highlighted by Cagle (2003) who stated that in the early 2000's, the infrastructure asset base was in a declining condition that required significant investments of over \$ 900 billion to renew, operate, and annually maintain assets.

Performance measures included requiring local authorities to develop asset registers, asset condition assessments, repair and maintenance plans and similar asset management solutions as developed by Too (2008) cites Jones (2000) who argues that organizations who focus their overall performance based on infrastructure assets face difficulties. This is mainly due to the three pillars of financial performance: cost reduction, providing quality service and risk evasion are all interdependent and not at all independent; they all are elements of a common Asset performance infrastructure .In more practical terms, one cannot expect to maximize cost performance and deliver excellent service while risk is reduced. They all have a measure of interdependency as Jones (2000) puts it

Effective operational property management in Lebanon is a dynamic blend of theory and practice, intricately woven within the country's unique socio-economic landscape. As property ownership and tenancy dynamics intersect with Lebanon's historical context, economic challenges, and legal intricacies, property managers face a complex task that requires a balanced approach. This introduction lays the foundation for exploring the fusion of theory and practice in operational property management, highlighting the importance of strategic navigation within Lebanon's distinct real estate environment.

Lebanon's real estate sector embodies a diverse array of properties, ranging from historic landmarks to contemporary developments. However, the country's history of political volatility, economic uncertainties, and evolving legal regulations has shaped a challenging terrain for property management.

A thorough understanding of these factors is essential for property managers aiming to create a successful operational framework that aligns theory with real-world application.

This article delves into the theoretical underpinnings that inform operational property management practices in Lebanon, emphasizing the integration of these theories with pragmatic solutions. From legal interpretations and tenant engagement strategies to maintenance theories and market analysis frameworks, this exploration aims to equip property managers with a comprehensive toolkit for navigating the intricate landscape of Lebanon's property market. By synthesizing theory and practice, property managers can elevate their approach, ensuring sustainable property value, enhanced tenant experiences, and contributing to the overall development of Lebanon's real estate sector.

In the following sections, we will delve into key theoretical principles and their practical applications, highlighting the strategies that can empower property managers to overcome challenges and capitalize on opportunities within Lebanon's dynamic property management landscape.

1-Legal Landscape and Regulatory Mastery:

Theory: A deep understanding of Lebanon's ever-evolving property laws and regulations is paramount. Property managers must grasp the nuances of ownership, tenancy rights, and legal obligations to ensure compliance and mitigate potential legal pitfalls.

Practice: Regularly updating knowledge of property laws, staying informed about legal amendments, and seeking legal counsel when needed are essential. Property managers should ensure that contracts, leases, and agreements align with current regulations, fostering a secure environment for both property owners and tenants.

2-Tenant Relationship Cultivation:

Theory: Building positive tenant relationships based on trust and communication is a foundational principle. Satisfied tenants are more likely to adhere to lease agreements, report issues promptly, and contribute to property maintenance.

Practice: Establishing clear communication channels, promptly addressing tenant concerns, and fostering a sense of community can enhance tenant satisfaction. Property managers should encourage open dialogue and provide timely solutions, thereby reducing turnover rates and enhancing property reputation.

3-Proactive Maintenance Theories:

Theory: Proactive maintenance preserves property value, prevents escalated repair costs, and ensures tenant comfort. Applying maintenance theories like preventive and predictive maintenance optimizes property management efficiency.

Practice: Regular property inspections, scheduled maintenance routines, and addressing repairs promptly are crucial. By implementing these practices, property managers can prolong the lifespan of property assets, reduce operational disruptions, and minimize unexpected expenses.

4-Data-Driven Market Analysis:

Theory: Effective property management relies on accurate market analysis. By understanding market trends, property managers can set competitive rental rates, identify emerging opportunities, and make informed decisions.

Practice: Consistent market research, tracking rental rates, and monitoring demand-supply dynamics can provide insights for strategic decision-making. Property managers should adapt rental prices based on market fluctuations and seize favorable market conditions.

5-Community Engagement Strategies:

Theory: Engaging with local communities enhances property reputation and tenant satisfaction. Building a sense of belonging creates a positive atmosphere that benefits both tenants and property owners.

Practice: Property managers can foster community engagement through events, workshops, or shared spaces that encourage interactions among tenants. A harmonious community contributes to tenant retention, improved property dynamics, and positive word-of-mouth referrals.

6-Leveraging Technology for Efficiency:

Theory: Technology integration streamlines property management operations. Property managers can leverage property management software, communication platforms, and data analytics to optimize efficiency.

Practice: Adopting property management software for rent collection, maintenance tracking, and tenant communication enhances operational effectiveness. By embracing technology, property managers can save time, improve transparency, and streamline administrative tasks.

By interweaving these theoretical principles with practical applications, property managers can navigate the complexities of Lebanon's property management landscape effectively. By mastering the legal framework, nurturing tenant relationships, implementing maintenance strategies, utilizing market insights, fostering community engagement, and embracing technology, property managers can overcome challenges and capitalize on opportunities. This holistic approach not only ensures operational success but also contributes to the advancement of Lebanon's dynamic real estate sector.

III. Current challenges that faces the property management in Lebanon

In September 2021, property management in Lebanon faced several challenges due to the country's ongoing economic, political, and social crises.

Lebanon has been grappling with a severe economic crisis characterized by hyperinflation; currency devaluation of the Lebanese pound has complicated property management operations. Many properties are priced in US dollars, while rental income and expenses are often in Lebanese pounds, leading to discrepancies and financial difficulties for property managers and landlords, and a collapse of the banking sector. This has directly impacted property management by affecting rental income, property values, and the ability of tenants to pay rent.

The cost of maintenance, repairs, and property services has significantly increased due to the economic crisis. Property managers are faced with the challenge of maintaining properties while dealing with limited resources and higher costs, also the political instability and lack of governance

have created an uncertain environment for property managers. Property laws and regulations may change unpredictably, affecting property rights, ownership, and tenant agreements. The frequent power outages, water shortages, and inadequate public services have a direct impact on property management. Ensuring basic utilities for tenants and maintaining properties in the face of inconsistent services is a challenge.

The overall economic uncertainty has discouraged real estate investment, leading to reduced demand for properties. Property managers might face difficulties in finding buyers or tenants, impacting occupancy rates and rental income based on the Political instability and regional conflicts can have spillover effects on Lebanon's security situation. Property managers must ensure the safety of tenants and properties in an unpredictable security environment.

In other hand, the lack of confidence in Lebanon's institutions and government can create obstacles for property managers seeking legal remedies or support in resolving disputes.

Please keep in mind that the situation in Lebanon is fluid and can change rapidly. For the most current information about the challenges facing property management in Lebanon, it's advisable to consult recent sources or experts familiar with the current state of affairs in the country.

IV. Fundamentals For An Efficient Strategic Approach to Property Management in Lebanon

Property management (PrM) or estate management as identified by researchers such as Ngwira, M. (2015); Then (2005), directly relates to the effective implementation of strategic choices that guarantee to the owner the optimal level of management of the object. It comprises activities that are daily in nature such as administration, financial management, technical performance, and organizational as well as promotional activities. On the operational aspect, it is the responsibility of the property manager to make sure that these activities: (1) bring along ideal financial benefits to the owner, (2) are accomplished in an efficient way, and (3) the property jointly meets the requirements of customers and employees (e.g. Dubben and Sayce, 1991; Soens and Brown, 1994; Rondeau et al., 2006; Frensch and Fisher, 2007). When the property becomes larger or institutional, the management of building becomes more complex. With time, these set of activities evolved into a specific area of tasks known as facilities management (FM), which is already defined in the previous section.

An efficient strategic approach to property management in Lebanon requires a comprehensive framework that addresses the unique challenges and opportunities presented by the country's socio-economic and political context by developing a deep understanding of Lebanon's property laws and regulations, including ownership rights, tenancy agreements, and relevant zoning laws; which requires staying updated on any legal changes that could impact property management operations and prioritizing tenant communication and satisfaction while establishing clear channels for tenant feedback and promptly address concerns. Implement strategies to foster a positive tenant experience, which can lead to long-term occupancy and positive word-of-mouth referrals. Nevertheless, Implement a preventive maintenance plan that includes regular property inspections, scheduled maintenance, and timely repairs. This approach preserves property value, minimizes unexpected expenses, and ensures tenant comfort. Also, upholding ethical standards and maintaining professionalism in all interactions with tenants, property owners, and stakeholders, is

an important factor. This builds trust and credibility within the property management industry. Furthermore, developing a long-term investment and growth strategy that aligns with property goals and market trends while balancing short-term returns with long-term property value appreciation are also worth to note. Not to forget, that building strong relationships with stakeholders, including property owners, tenants, contractors, and industry professionals and networking can provide valuable support and ensure full compliance with property laws and regulations. Keeping detailed records, adhere to reporting requirements, and seek legal counsel when needed to navigate complex legal challenges.

To conclude, implementing these fundamentals into a coherent and tailored strategic approach, property managers in Lebanon can navigate challenges, capitalize on opportunities, and contribute to the growth and sustainability of the real estate sector in the country.

V. Conclusion

In conclusion, effective property management strategies in Lebanon are a dynamic blend of understanding, adaptation, and proactivity within the country's unique socio-economic and political context. Navigating the challenges and capitalizing on the opportunities presented by Lebanon's diverse real estate landscape demands a multifaceted approach.

From a thorough grasp of ever-evolving legal regulations to fostering tenant engagement and satisfaction, property managers must orchestrate an intricate symphony of tasks. Proactive maintenance practices, data-driven decision-making, and technology integration are essential to optimizing property value and operational efficiency.

Embracing community building, risk management, and ethical professionalism adds layers of resilience to the property management ecosystem. Flexibility in strategic planning, adaptability to shifting economic and political conditions, and collaboration within the industry forge pathways toward success.

By adhering to these principles, property managers not only address management weaknesses but also contribute to the transformation and advancement of Lebanon's real estate sector. In an environment characterized by challenges, each strategic move serves as a stepping stone toward a future where efficient property management plays a pivotal role in shaping sustainable growth and stability for the country.

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