

# Tenants' Satisfaction in Abu Dhabi (UAE): A survey

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## Abstract

Tenant satisfaction has become an essential theme in the residential industry. Modernization in housing trends has resulted in several factors that drive the choice and the requirements of tenants and it has an enormous impact on their satisfaction. This research tries to understand tenant satisfaction through a survey conducted by the expatriate community in the city of Abu Dhabi (UAE). Data was collected through twenty survey questions to understand the satisfaction of tenants of villa dwellings, and compound apartment buildings (tenants of 1-4 bedroom-housing facilities). The results of this research can be utilised in the future planning and development of rental properties as well as designing for the reviewing and development of new policies.

**Key words:** Tenant satisfaction, residence selection, residential sector, questionnaire survey, UAE

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## Introduction

Availability of modernised building facilities has led tenant satisfaction to an idealistic level due to socioeconomic factors in addition to the physical conditions (Gibler et al., 2014). The world has become a global village where everyone is on the move to enjoy a better living standard. However, this massive movement of residents requires sufficient residential services. In addition to the economic and infrastructural issues, social factors add complexities for building owners. Current research demonstrates that resident satisfaction level has a close relationship with the factors mentioned above (Azimi and Esmaeilzadeh, 2017). Consequently, understanding and exploring tenant satisfaction remains essential. Satisfaction is an emotional, behavioural and mental phenomenon to evaluate and meet individual needs (Etminani-Ghasrodashti et al., 2017). Tenant satisfaction factors can broadly categorise into internal and external features of a property that contribute towards the overall living condition from the tenants' perspective. Therefore, understanding tenant behaviour in addition to the building's facilities are essential to measure tenant satisfaction. Although research into housing satisfaction holds its footprint since the 1970s, the research in this stream is scarce (Gibler et al., 2014) and past studies are lacking in the implications of a holistic approach to tenant satisfaction (Dinc, et al., 2014).

UAE (United Arab Emirates) has seen an enormous change in their economy due to the oil and gas returns. Ibrahim et al. (2016) stated that rapid growth in the petroleum market and ongoing migration of expatriates had brought the dynamism in the housing market not only in the UAE but within the entire Gulf region. The higher number of expats movement due to a large number of foreign investments has led the UAE to proliferate. The supply in the housing sector, both owner-occupied and rental properties, has changed due to housing and property laws recently changed in the UAE. The housing typology survey conducted by Ibrahim et al. (2016), shows a differential in the property investments in the UAE. Villas are seen as a more economical and culturally fit choice for the local Emirates compared to the apartments which are seen as a priority choice of the expatriates. Furthermore,

due to change in the socio-cultural factors resulting from the influx of expatriates, allocation of land for private and semi-guest areas are becoming part of the house planning. Recent activities in the rental market in Abu Dhabi show changing characteristics of expat's investment in purchasing their freehold properties, as well as leasing villas away from the central Abu Dhabi Island. These activities in the rental market have brought stability for the mid-market tenants, nevertheless they have positioned pressure on the high-end rental market. Lately, the CBRE (2017) report analyses a decline of an annual 8% in the Abu Dhabi residential leasing market. Despite this market uncertainty remains looming; the number of expats and local visitors in Abu Dhabi growing at a pace of 5% annually. To this end, this research adopts a holistic approach to understand tenant satisfaction of both types of properties, i.e. villas and apartments.

### Literature review

Tenants are customers who like to enjoy additional services for the cost of rent they pay. Satisfied tenants are less inclined to change their residence due to additive transaction costs in addition to the time they spend on searching and moving into a new property (Gibler et al., 2014). Satisfaction in the building sector is viewed from the physical and non-physical factors (such as social factors) (Voelker et al., 2013). The physical factors include the aspects of the housing facility and related amenities (Aulia and Ismail, 2013). These factors include the indoor air quality, cleanliness of the common areas, and reduced health and safety issues (Voelker et al., 2013). The non-physical factors include fulfilment of psychological needs, housing ownership, better communication with management (if rental

property), security, good neighbourhood and so forth. (Aulia and Ismail, 2013). Choice of a residential building or an apartment that brings highest customer satisfaction is linked with these physical and non-physical (social) factors. Understanding both factors help to make a better decision and proactive planning while selecting a residential property by tenants (Gan et al., 2016).

Several factors count towards the decision management in residence selection, reported, in the residential literature (see Table 1). Earlier research found that structural amenities such as large front and attached garages were seen as the decisive factors in the choice of an apartment (Brown and Cropper, 2001). Whereas, according to Wilkinson (1999), the internal residential conditions that impact on the residents' health are also very critical. Mould, indoor air quality, and dampness inside the house create illness and related health issues specifically among children (Pekkonen and Haverinen-Shaughnessy, 2015, Voelker et al., 2013) and are considered as negative factors. James Iii et al. (2009) developed a model of residential satisfaction through 464,281 online consumer postings of US housing and outlined several factors including parking, noise level, landscaping, safety, building construction, office staff, and maintenance service. Sirmans et al. (2009) examined multifamily housing and outlined transport facilities as the critical requirement. Ibem and Aduwo (2013) confirmed that visual comfort and security; size of living and sleeping areas in the residences and management of the housing estates, respectively are key customer concerns in residential suitability. Following is a list of critical factors impacting the residents' and tenants' satisfaction.

**Table 1: Various satisfaction factors identified in the literature**

Factors	Authors
Behaviour of neighbours	Brown and Cropper (2001),
Parking facility	James Iii et al. (2009), Gan et al. (2016)
Landscaping	James Iii et al. (2009), Gibler et al. (2014), Gan et al. (2016), Dinc, et al. (2014)
Safety/security	James Iii et al. (2009), Gan et al. (2016),
Maintenance service	Gan et al. (2016), James Iii et al. (2009)
Transport access	Sirmans et al. (2009), Tanzman (1993)
Office staff/management	James Iii et al. (2009)
Building structure	Gibler et al. (2014), James Iii et al. (2009)
House Type	Azimi and Esmailzadeh (2017).
Building Outlook	Gan et al. (2016)
Internal residence conditions	James Iii et al. (2009)
Ethnicity	Najib et al. (2011)
Economic status,	Najib et al. (2011)
Sense of sharing	Najib et al. (2011)
Recreational areas	Dinc et al. (2014)

## Neighbourhood

James Iii (2008) demonstrates that neighbourhood significantly impacts on tenant satisfaction level. Górczy ska (2008) studied the impact of neighbourhood and found that the majority of the residents were satisfied with their neighbourhood attitude. Results from the hypothesis tests found that a decent neighbourhood reputation links to a more positive attitude toward the place of residence.

## Type of property

Wang et al. (2013) suggests that residence type also impacts on tenant satisfaction. Their study shows that housing ownership has a higher level of satisfaction than rented housing. Pekkonen and Haverinen-Shaughnessy (2015) demonstrated a similar fashion in the Finnish household study.

## Internal property conditions

Property condition and internal structure of a house or apartment are also seen as a critical criterion for satisfaction. Several authors have found the link between the internal facilities and amenities, and tenant satisfaction (James Iii, 2007, Najib et al., 2011, Dinc, et al., 2014, Gibler et al., 2014). James Iii (2007) reported privacy issues in the US housing survey that resulted from noise intrusion were actually caused due to the internal building structure. This had a negative impact on the residents' lives as shown by the author mentioned above. Results from students' shared housing pointed out that the number of bathrooms, size and cleanliness of bedrooms, and other living areas, as well as the presence of a balcony/patio, has a direct link with tenants' satisfaction. However, due to several limitations, the quality of the internal environment of any residence remains in the hands of the house owners (James Iii et al., 2009). Pekkonen and Haverinen-Shaughnessy (2015) conclude that homeowners cared more for their internal condition such as cleanliness of dwelling, indoor air quality, and thermal conditions, especially during the winter season. Similar results have been found in a study conducted in China which demonstrates that interior environment is a superior resident and tenant satisfaction factor when compared to the external environment.

## Access to Transport and amenities

Sirmans et al. (2009) examined the role of external factors and amenities in multifamily housing. In their model, traffic congestion, proximity to work, and access to public transport were the top external factors. Provision of the transportation facilities near the residences is seen as a prominent factor in measuring tenant satisfaction. For example, transport available within 1000 feet from the residence is seen as more expensive, compared with a long distance to the bus or train station. Dinc, et al. (2014) in a Turkish study found that lakes and shopping areas also add to the attraction in the choice of housing selection.

## Facilities & Service management

Tenant satisfaction also remains volatile to facilities management service staff. James Iii et al. (2009) discussed that in contrast with the owner-occupied properties, staff and manage-

ment have direct control over the housing environment for rented properties. The author also discussed the link between maintenance of the apartment housing and the age of the tenant. The study shows that maintenance of the building is a driving force of satisfaction for elderly tenants compared to the young who complain less to maintenance staff.

## Research Method

Although several papers were found during the literature review on owner-occupied residential housing satisfaction, very little to none emphasised the tenant satisfaction with regards to expatriate tenants. A literature review of 38 journal articles shows a majority of the results are from developed countries and only a few studies are from developing nations. The unique feature of this study is that it focuses specifically on the expatriate community who are currently renting accommodation within a developing country. Data was collected from expatriate tenants by using a questionnaire survey, containing 20 questions. 158 people were contacted for the survey participation; around 58 people did not want to participate. The reason for non-participation was either lack of Tawtheeq documentation (1) formal registration of the tenancy contract), or they were the homeowners. Researchers stopped data collection when they completed 100 survey questionnaires from the respondents. Table 2 provides the data on in which type of accommodation our respondents were living at the time of interview and how much rent they were paying.

## Research Analysis

In the section below, various graphical representations present the responses for some of the questions asked in the survey. For the cleanliness of the common area, the majority of the respondents were satisfied with the service provided by the landlord (see Figure 1).

Figure 2 shows the respondents answer the question regarding public transport. Although, the data was not directly collected to see how many of them use public transport one of the questions was related to use of a parking facility which gives some indication of how many of them use cars. Within Abu Dhabi, the only local public transport service is bus services. Mostly expatriates use their own transport if they are well paid. Some low paid expatriates who cannot afford to buy or rent a car either use the bus service to get to work or shopping malls or taxi services, which are relatively cheap. Interestingly, Figure 3 presents the response regarding the accessibility to the main highway, and all of the respondents knew how far away the highway was. That means, most of our respondents either currently drive or drove a car in the past.

Figure 4 shows that majority of the respondents are only satisfied with the overall outer appearance of their rental accommodation. This infers that landlords are not necessarily looking after the aesthetics of the property. Respondents were also asked about the recreational facilities available within their apartment or villa compound including gym, pool, kids playing area, parking, and so forth. Most of the residents mention some kind of recreational facility either provided or (1) <https://dmat.abudhabi.ae/en/ADM/tawtheeq/Pages/home.aspx>

Table 2

No. of respondents	House/Apartment Type	House or Apartment Rent in (AED thousands)
18	Free standing Villa( 3 bed or more)/Villa Compound	160 - 200, >200
8	studio Apartment	<50, 50-80
10	1-bed apartment	50-80
34	2-bed apartment	80-100/100-130
28	3-bed apartment	130-160
2	4-bed apartment	160-200

Figure 1

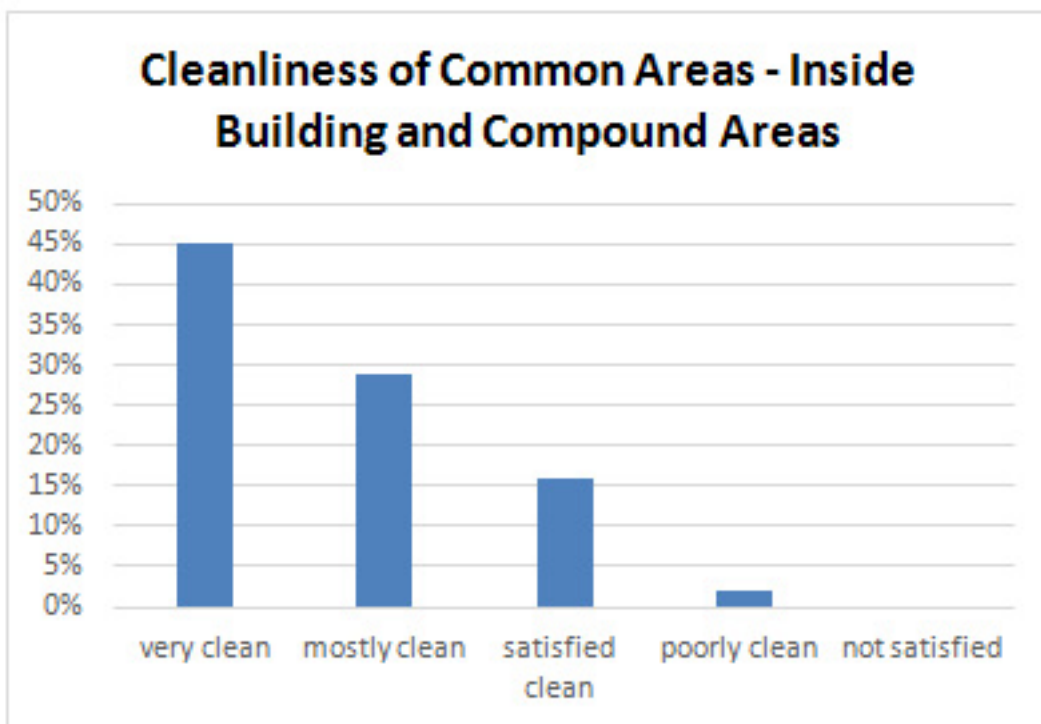


Figure 2

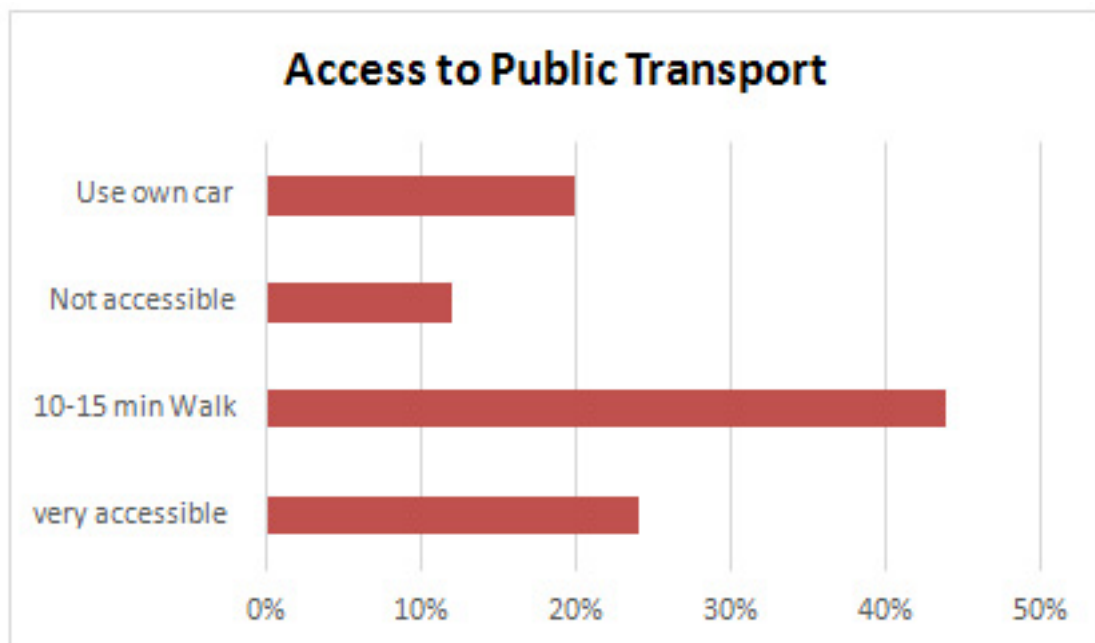


Figure 3

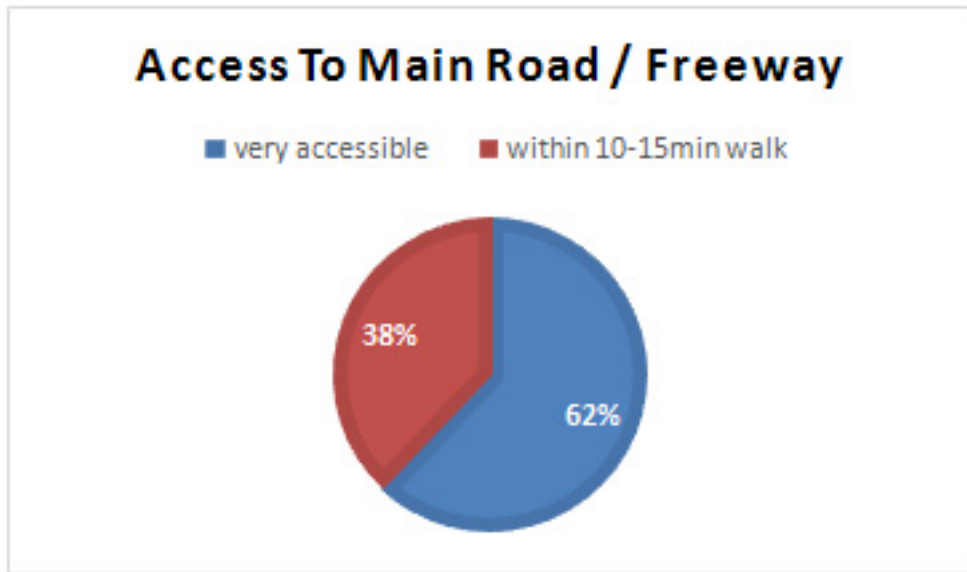


Figure 4

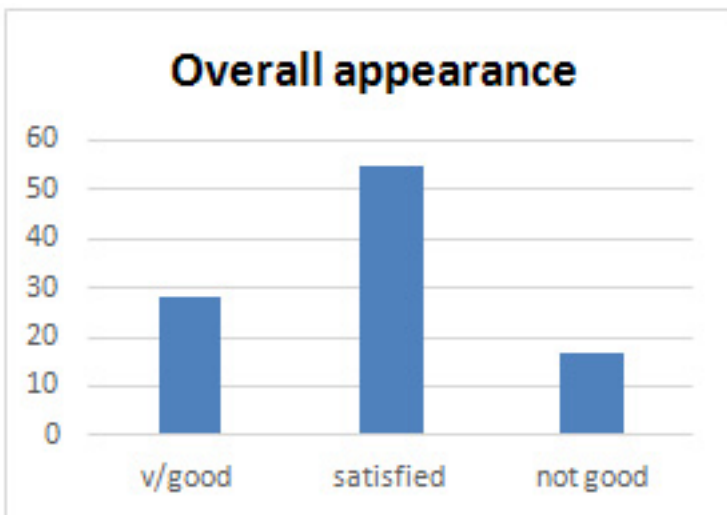


Figure 5

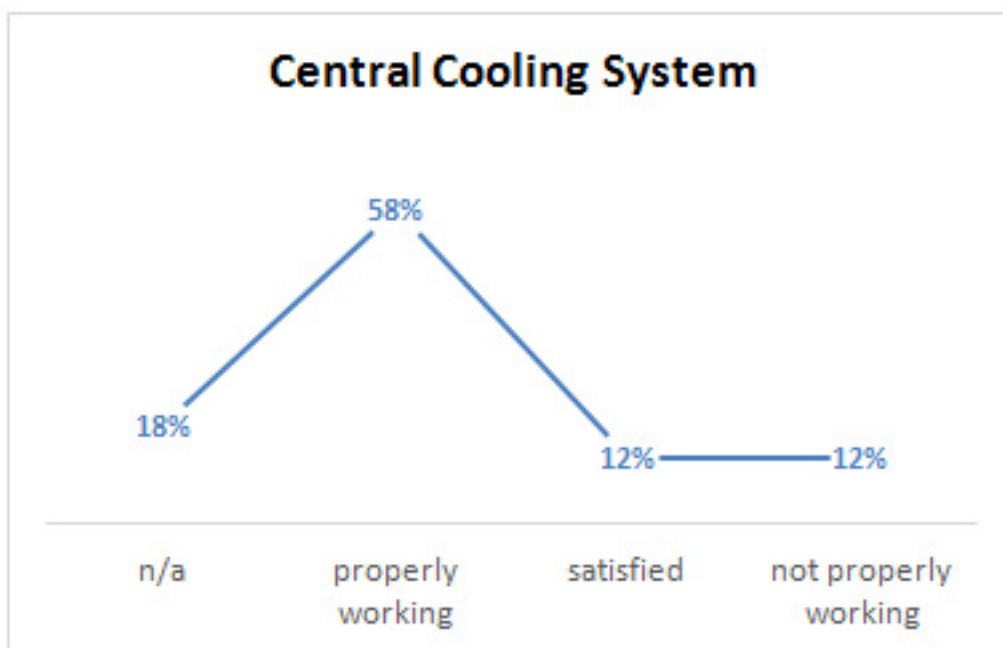


Figure 6

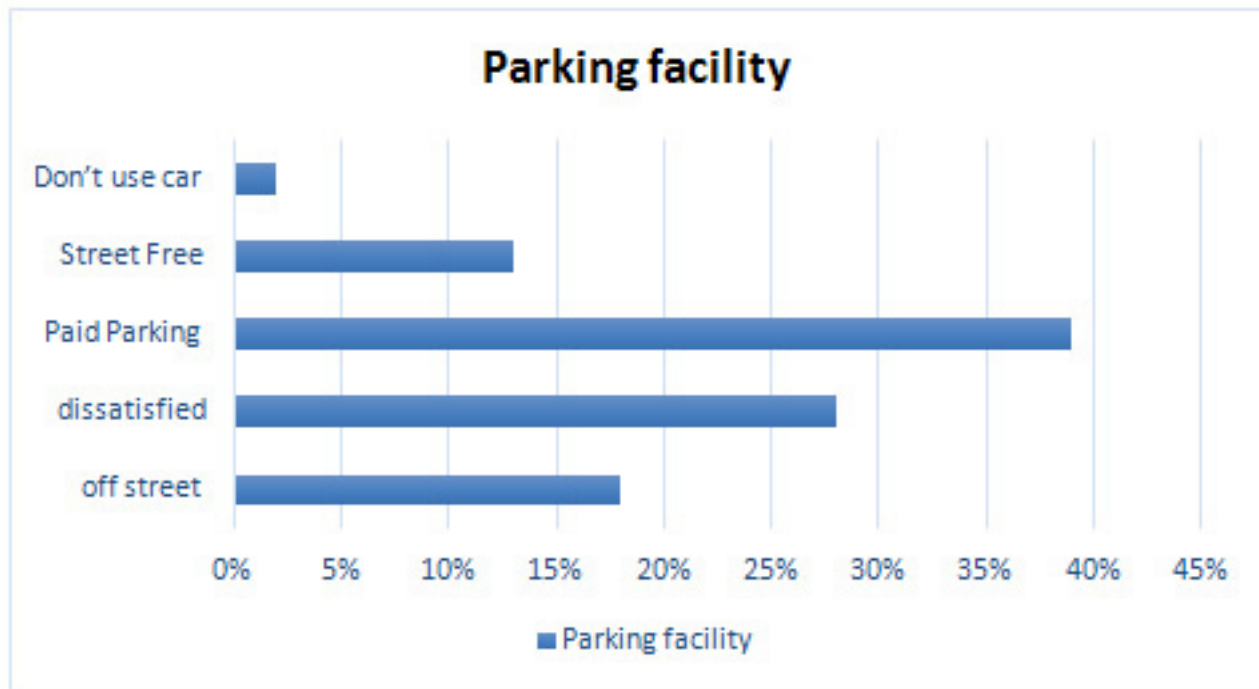
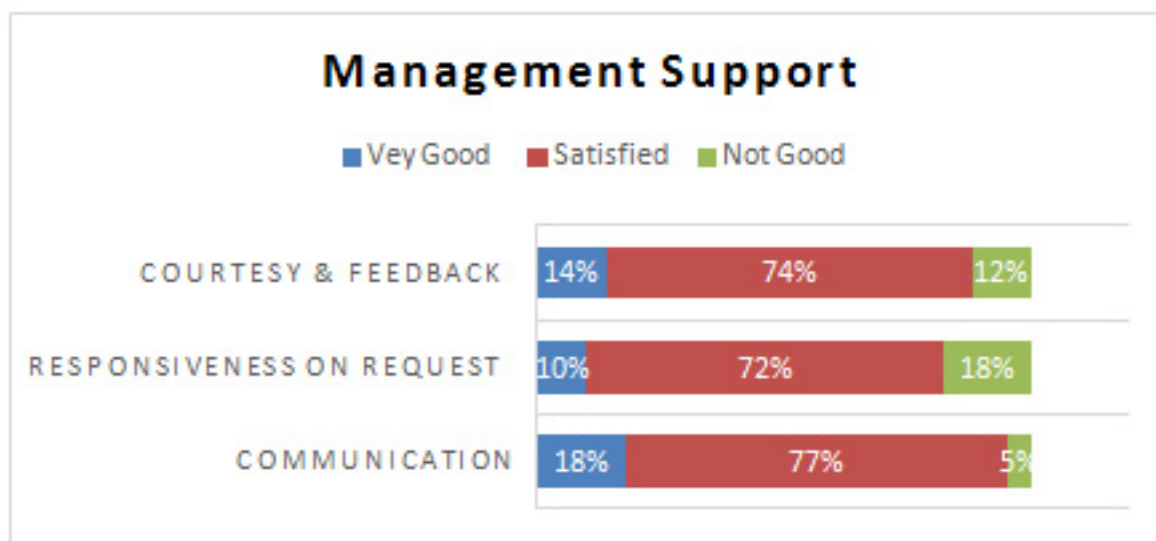


Figure 7



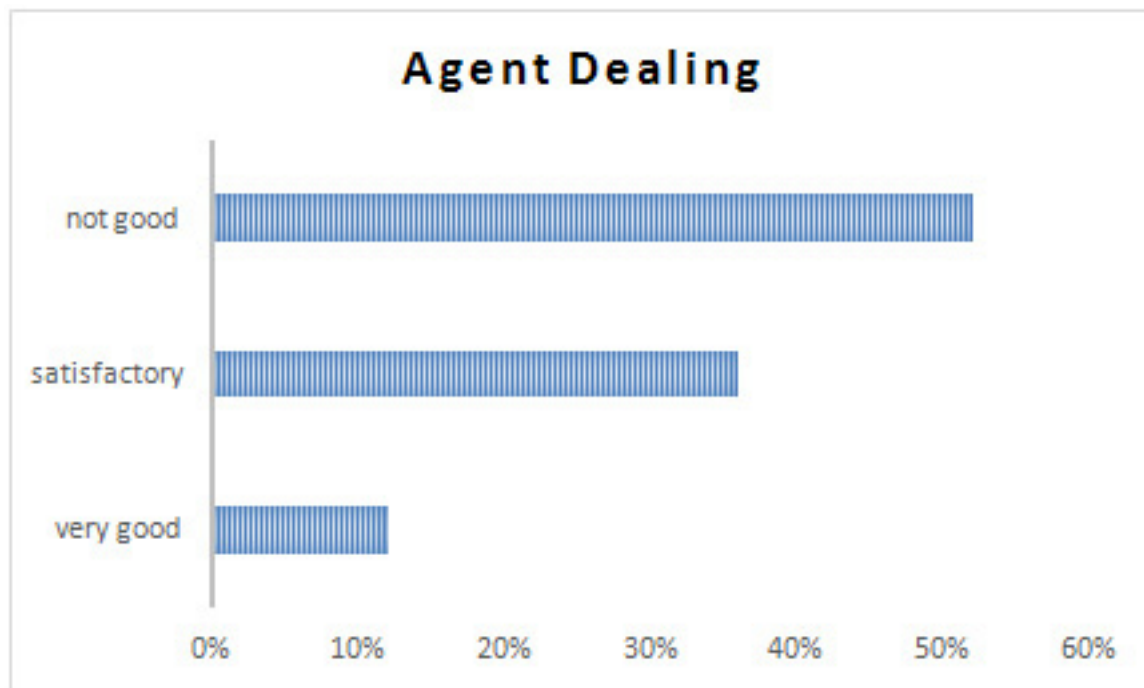
available nearby, either private or publicly owned. Residents were also asked about their participation related to the landscaping outside of the property. Those who lived in a villa tend to participate in the landscaping activities whereas those who rent a flat in an apartment block rely on the building facilities and management department. Tenants were asked about the cooling system in general (including both split system and central cooling), and most of the respondents were satisfied since the severe weather conditions during summer months required a properly working cooling system (see Figure 5).

In response to the available parking facility, around half of the respondents were satisfied with the available parking facility, either free, off-street or paid parking (note: pre-paid parking is only for those tenants who could produce Tawtheeq documentation (see Figure 6). Visitors' parking is usually paid unless

tenants live off Abu Dhabi Island or in Villas. Many respondents raised the concern that on the Abu Dhabi Island, despite having pre-paid parking permits, most of the tenants find it hard to find parking, especially in the localities where there are too many apartment buildings.

Figure 7 presents the responses which relate to the interaction with the management of the rental properties, either villa or apartment block. Tenants were asked questions to score their satisfaction for the three criteria: communication management with the tenants, responsiveness in the case of emergency or queries, and courtesy. The majority of the respondents felt either satisfied or very happy in the above areas when interacting with the management. This shows the professionalism of the management company staff as well as the maintenance and repair services, which are mostly required on a daily basis.

Figure 8



There were some other questions, which were related to finding the responses related to the internal condition of the property and proximity to the amenities such as shops and malls. For the internal condition, a tiny percentage replied they were not satisfied, but the majority were satisfied with the condition. This again demonstrates the maintenance and care provided by the management company to the tenants to keep the internal conditions of the property satisfactory.

The most pressing issue was related to dealing with the estate agents. Although many efforts have been made by the municipality to crack down on illegal agents, more than half of our respondents (see Figure 8) had horror stories about the unprofessional rental estate agents who try to take their money in the name of their commission. The stories were either related to demanding a cash deposit during the first visit to secure the property, or showing property for which one can not apply for with Tawtheeq documents, or offering paid service to arrange false Tawtheeq documents or asking more than 5% commission from the tenant, etc. In most of the cases, despite proper documentation and introduction to the landlord, the agent disappeared once the lease contract was signed with their cash commission. (Note: the commission is usually 5% of the rental price and minimum AED 5000, paid by the tenant). The Abu Dhabi municipality is still cracking down on many bogus rental estate agents who mostly advertise through either social media or rental listing websites (both free and paid).

### Summary

This paper presented findings from a research survey done in the city of Abu Dhabi in the UAE to gauge the level of satisfaction of the tenants, especially expatriates. The results show that overall tenants are satisfied with the type and condition of the dwellings available for rental and very few have issues with parking. Due to being relatively small compare to Dubai, the city of Abu Dhabi does not have any issues for its residents as

far as access to public transport and the public roads are concerned. Dealing with the managing company or officer was not an issue and properties were managed efficiently, including both interior and exterior of the properties. The most critical factor which tenants were concerned about when it came to rental properties was the appropriate cooling system because of long and harsh summers. The majority of respondents had no significant issues with it. The only highlighted issue where more than half of them showed dissatisfaction was dealing with the estate agent, and in many cases, it was inferior. The municipality has already taken actions to reduce such experiences resulting in dissatisfaction, by cracking down on illegal businesses offering accommodation for rental purposes.

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