

To: Head of Property Management

Subject: Property Performance Insights and Recommended Actions

Dear Sir/ Madam,

Following the recent property performance analysis, the following are key insights highlighting both strengths and areas requiring intervention.

a) NSSF Towers in Nairobi – Top Performing Property

NSSF Towers in Nairobi CBD is the best performing property, with the highest rent billed (265K), likely contributed to by leading in average monthly rent (53K), occupancy (100%), and collection efficiency (98%). These reflect both strong demand and effective management.

Recommendation:

- Use NSSF Towers as a benchmark for best practices in tenant retention and rent collection
- The Nairobi CBD also seems like a prime location and should be explored for future investment opportunities.

b) Low Occupancy at the Junction Residences in Kilimani

The Junction Residences in Kilimani is a point of concern given its low occupancy (50%) which likely contributes to its weak rent performance. Given that it also records the lowest average rent, issues with tenant uptake or retention point to either property issues or an unfavourable market in Kilimani.

Additionally, Riverside Court and Kimathi House currently report 0% occupancy.

Recommendation:

- Focus on first understanding the low occupancy at The Junction Residences to find a fitting resolution - This could involve reviewing its pricing, competitiveness, marketing approach, and leasing management, etc.
- If the market in Kilimani allows it, these challenges can likely be fixed through repositioning or targeted marketing.
- Otherwise, management may need to reconsider future investments in the area.
- Zero-occupancy properties in CBD and Westlands need urgent action to realize their revenue potential, given that other properties in those areas are performing well.

c) Collection Efficiency Gaps in Delta Corner, Westlands

All properties record some arrears, but Delta Corner in Westland stands out with the highest arrears(21K) and lowest collection efficiency (77%). This suggests weak rent collection or

delayed tenant payments

Recommendations

- Review Delta Corner to pinpoint the cause - ineffective rent follow-up, lease management gaps, or problematic tenants, etc.
- Management should consider streamlining rent collection procedures, implementing structured arrears follow-up cadences, and better tenant screening.

d) Data Quality and Lease Integrity Issues

A few leases were flagged as invalid due to data inconsistencies, such as negative rent values and end dates preceding start dates. These likely come from data entry or system errors. This can distort analysis and billing operations if unchecked.

Recommendation:

- Conduct a lease data audit to identify and correct invalid entries, ensuring that billing, arrears, and occupancy calculations reflect accurate information.
- Implement data validation checks at the point of entry, as well as periodic data quality reviews.

Best regards,

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