

DEMYSTIFYING THE EFFECTIVENESS OF OUTSOURCING CORPORATE REAL ESTATE MANAGEMENT SERVICES IN THE MALAWIAN CORPORATE INSTITUTIONS

Desmond Namangale and Lumbani Nyirenda

Abstract

Corporate real estate's contribution towards company's wealth and business operations cannot be overemphasized. Therefore, it requires proper management. Two main approaches exist in managing corporate real estate namely: in-house and outsourcing. Most corporations have had their property assets management services contracted out to external service providers. This study sought to assess the effectiveness of outsourcing corporate real estate management services in the Malawian corporate organisation through a case study in Blantyre Central Business District. A quantitative approach was used in which a review of various literature was done and a survey questionnaire was distributed to 20 corporations. The study revealed that corporations prefer outsourcing individual corporate real estate management services rather than the whole real estate department. Amongst the individual CREM services, property management and repairs and maintenance are the most outsourced. The study further revealed that corporations outsource mainly to have access to skills, technology and best practice.

Despite being effective, there is need for further development of the process of outsourcing as it lacks some elements. Therefore, the study recommends benchmarking of performance for individual CREM services that are being outsourced and development of performance measurement tools and enhance communication through the adoption of effective communication tools.