. Introduction

Project management is very crucial for proper planning, implementing, and controlling of projects which can satisfy the required project performance in terms of time, cost, and technical performance requirements. Due to the nature of the business, companies that are engaged in real estate firms are expected to apply project management widely. Several house demands are covered by the involvement of these real estate developers. On the contrary, different problems are observed in real estate projects. Of the common problems, delay of projects, non-performance of projects, not meeting of required specification, and dissatisfaction of customers can be raised.

For instance, some real estate firms collected advance payment but could not deliver what they promised to their customers due to different reasons. In this case, only project initiation is done without following of the rest project management strategies. There are other firms which are engaged in to contract with their customers, but transferred incomplete houses to clients because of financial constraints due to inefficient project execution management. According to MoUDC (Ministry of Urban Development and Construction, 2012: P 11) fourteen real estate firms, registered by Addis Ababa (Ethiopia) investment agency, took land for real estate development but resale and transfer the land to third party. These firms did not even completely perform the processes of project initiation. MoUDC (Ministry of Urban Development and Construction, 2012: P 14) also reported that significant number of firms received plot of land for real estate development. But, in mid time of their projects, they change project scope by redesigning of houses to smaller once for the sake of avoiding tide up of money by huge projects.

In this situation, there is a problem in project planning and execution management. According to MoUDC (Ministry of Urban Development and Construction, 2012: P 11), there are firms who performed slow construction of houses. There are also firms that stopped construction of houses after devoting huge amount of money and time, up to certain progresses.

Among the different problems by the researcher, the focus of this study is on problems that are encountered by real estate firms up on applying project management strategies to this end, real estate firms that are actively involved in the business are included in the study.