

Critical Factors contributing to Rent Arrears in Residential Properties in Minna, Nigeria

By

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Abstract

Purpose: Optimum return appears to be a tangible motive of Investors of Real Estate Investments. This motive over the years has been bedeviled with rent arrears or defaults by renters of properties in the property sector. This situation, to Property Managers and their Principals is worrisome. It is on this basis that this study attempts to assess the factors influencing rent arrears in Minna rental market.

Design / methods followed / approach: The study employs data on various aggregate factors such as management subsystem, economic factors, tenancy arrangement, dwelling unit features and external household attributes influencing rent payments. Cluster random sampling was used to administer questionnaire to renters of residential properties in Minna while simple random and purposive sampling techniques were used to administer questionnaires to property managers. Kendall Coefficient Concordance, ANOVA and Chi-Square were statistical tools used.

Findings: Evidence from renters reveals a fair evidence of relationship among ranked factors for rent arrears. There is evidence of variation among the factors responsible for rent arrears across the areas and the study also found there is no relationship between income level of renters and type of residential accommodation occupied.

Practical implications: The implication of the study is that renters develop practical habit that discipline their finances and prioritize the scale of preference and to live below their income level backlog or arrears of rent.

Originality / Value of work: This research unravels the critical factors responsible for rental arrears in an urban settlement in Nigeria.

Keywords: Rent Arrears, Residential Properties, Property Managers, Landlords, Tenants

1.0 Introduction

Residential properties are known to have physical and economic significance, as well as social implications which affect the quality of lives and dignity of the occupants (Jinadu, 2007). It is

estimated that roughly 40% of the world's population lives in rental housing (Malpezzi, 1993), hence, the increasing demand for residential property in urban centres would continue to attract the investment interests of real estate developers (Olujimi & Bello, 2009). However, a very important motive of residential real estate investors is to secure optimum returns on their investment which commonly take the form of rental values. While rent payment remains an obligation of tenants to their landlords, rent arrears/default by tenants over the years have become a major course for concern to investors. As observed by Ogutu (2013), about 72% of tenants in parts of Nairobi admitted falling into rent arrears at certain times. The author attributed rent arrears to unstable economic situations as well as low and inconsistent income.

In Nigeria also, a major area where private rental housing appears to be failing is in the aspect of rent (Gbadegesin & Oletubo, 2013; Sani & Gbadegesin, 2015). In a survey of 120 estate surveyors in Lagos Metropolis, 90% of the respondents had the experience of default in rent for more than seven months (Oni, 2010). Generally, it is common among tenants that have taken possession of accommodations in urban areas, paid initial advance rent payment of one to three years and had met the terms, conditions and requirements stipulated in the tenancy agreement to suddenly become recalcitrant making collection of subsequent rents to be difficult (Oni, 2010). Such situation is worrisome to stakeholders in real estate investments particularly landlords and or their agents. Rental market in Minna, a major town in North Central Nigeria is not an exemption. Against this background, this study seeks to examine the critical factors influencing rent arrears in residential properties in Minna, Niger State.

2.0 Literature Review

2.1 Causes of Rent Defaults

A tenant who does not pay his/her rent as at the due date, they are said to be in default/arrears. As observed by Moss (2003), issues of affordability and lack of end user information are the main reasons for tenants defaulting on the payment of their rent instalments in five selected districts of South Africa. The study however suggested that tenants who default due to affordability, should reduce other expenses so as to meet their rental obligations. On the contrary, Topham (2012) described some tenants as stubborn and difficult and intentionally refuse to pay rent. Sani & Gbadegesin (2015) concentrated on breach of tenancy agreement in respect of landlords' repair covenant, harsh landlords' policy, unstable income of the consumers, lack of effective tenancy legislation and deficient tenancy management to assess the major causes of rental default in Kaduna Metropolis, Nigeria. The authors employed weighted mean and found that breach of tenancy agreement and harsh landlord's policy are the main causes of rental default in the Metropolis.

2.2 Avoiding Rent Defaults

In order to avoid rent arrears, property management experts recommend that care should be taken when selecting tenants. Studies have shown that tenant selection is a major determinant of successful property management (See, Oni, 2010; Daniel, Ojo & Augustina, 2012). In tenants' selection, Moss (2003) noted that it is paramount that renters have a stable source of income if rent payment is to be consistent. The key attributes that should be assessed of a prospective tenant to minimize default in rent payment include sources of income and employment, regularity and prospects of employment, physical appearance and social status (Oni, 2010). The author added that owners may specify attributes such as religion, marital status, age, maximum number and ages of children, maximum number of cars, and tribe. In report by LODGIS (2015),

particular attention should be paid to the solvency of prospective tenants, and where a tenant's financial status appears unsatisfactory, a guarantor should be provided who undertakes to pay the rent in case of default by the tenant.

3.0 The Study Area

Minna is located on Latitude 9° 37' North and Longitude 6° 33' with geographical coordinates of 9° 36' 50'' North and 6° 33' 25'' East and occupies land area of about 884 hectares. In 1951, Minna became the provincial headquarters of Niger province and divisional headquarters during the first military regime in 1983. This brought about the growth of population of both indigenes and non-indigenes of the state and accelerated physical development of the town commenced after becoming the seat of the capital of Niger State in February, 1976. The highest proportion of the population is composed of Gwari, Hausa, Nupe and Non-natives residing in Minna. By the 2006 Population and Housing Census Figures, Minna has a population of 348,788. There are Twenty-five neighbourhoods excluding Army Barracks in Minna (Figure 1).

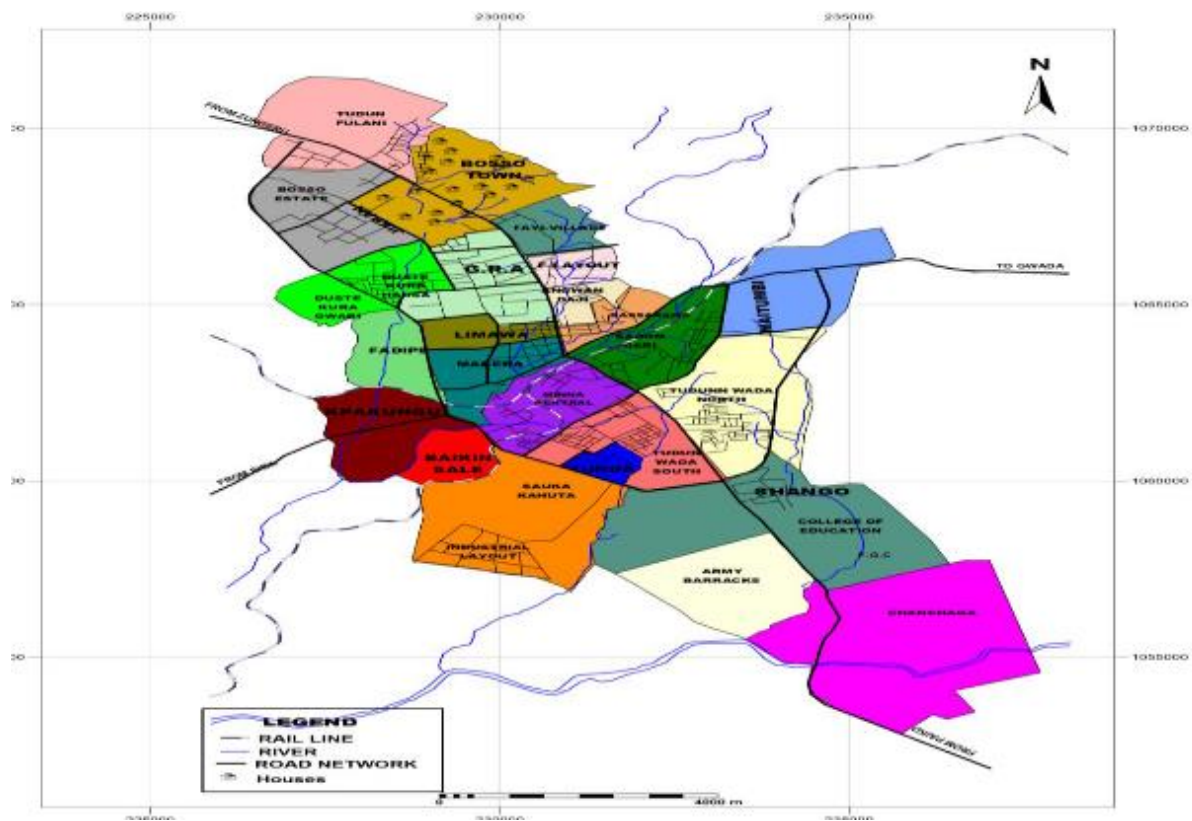


Figure 1: Minna and its Neighbourhoods

Source: Department of Urban and Regional Planning, 2013

4.0 Methodology

The analysis of this study draws only from primary data source from Minna Urban. By adopting cluster random sampling, the study area (consisting of 6 neighbourhoods) for the questionnaire administration was drawn from the twenty-five (25) neighbourhoods in Minna Urban. The selected six (6) neighbourhoods comprise: Minna Central, Bosso Town, Bosso Estate, Tunga Low-cost, GRA and F-layout. A survey based technique involving a designed 22 item structured questionnaire, was employed to obtain primary data on factors contributing to rent arrears from household heads (respondents) who are renters in the study area.

Minna neighbourhoods household size data of 2003 for the selected residential locations were gotten from Sanusi (2006). Projection for 2016 was at an annual growth rate of 3.80% (NPC, 2006) and was subsequently made for the 13 year time lag covering 2003 to 2016. The project was formulated as, $Pr = Po (1+r/100)^n$, where Pr = Required population, Po = Initial population, r = population growth rate and n = Time interval. Thereafter, the sample size is determined by using Kothari (2004) formula stated below;

$$n = \frac{Z^2 * N * \sigma^2}{(N-1) e^2 + Z^2 \sigma^2}$$

Where n is the sample size, Z is the standardized normal value and for this study it is taken as 1.96 for a 95% confidence interval, σ is the standard of deviation which was put at 0.5 depicting a safe decision enhancing large enough samples, N is the household population and e is the margin of error put at +/- 5%.

Table 1: Questionnaire Distribution to Household heads in the Study Area

| S/No | Neighbourhoods | Household size 2016 | Sample Size | Proportion of Household Heads | Questionnaire Retrieved |
|------|----------------|---------------------|--------------|-------------------------------|-------------------------|
| 1 | Minna Central | 6769 | 364 | 73 | 65 |
| 2 | Bosso Town | 10,116 | 370 | 74 | 62 |
| 3 | Bosso Estate | 461 | 210 | 42 | 42 |
| 4 | Tunga Low Cost | 1,093 | 285 | 57 | 43 |
| 5 | GRA | 875 | 267 | 54 | 48 |
| 6 | F-layout | 1,242 | 294 | 59 | 52 |
| | Total | 19,946 | 1,790 | 359 | 313 |

Adapted from Sanusi (2006)

Kendall Coefficient of Concordance

The study employed Kendall Coefficient of Concordance to test level of agreement among the ranked factors across the neighbourhoods. The model and factors are summarised as follows:

$$W = \frac{[12\sum T_i^2 - 3K^2n(n+1)^2]}{[k^2n(n-1)]}$$

Where T_1^2 is the squared sum of ranks for each of the factors, while n is the number of factors being ranked; and k is the number of towns from which the ranking of the factors were taken. The coefficient ranges from 0 (perfect disassociation) to 1 (perfect association).

DDUF= Deteriorating dwelling unit features

DPEH= Deteriorating and poor external household attributes

PMMS= Poor management and maintenance services

DTA= Difficult tenancy arrangement

BEC= Bad economic condition

FRR= Frequent rent review

RCO= Rent collectible only in office

AS= Apartment sharing

LPB= Lack of proper budget

Analysis of Variance in Mean Responses of Renters

Analysis of variance was also utilized to examine variation in mean opinion of renters across the neighbourhoods. The study seeks to establish if there is variation in the factors responsible for rent arrears across the selected neighborhoods.

H_0 : There is no statistically significant difference in the factors contributing to rent arrears across the neighborhoods

The study also utilized chi-square test to examine the hypothesis that level of renters income differs significantly from the amount paid on residential units by renters: chi-square model is expressed as follows

$$\chi^2 = \frac{\sum(O - E)^2}{E} \quad \text{Where O is observed values and E is expected value.}$$

The test of significance difference between income level of rentals and amount paid for residential unit types is carried using chi-square test. The test simply answer the hypothesis that the income level of rentals is not related to amount paid for residential unit of accommodation across the study

H_0 : the income level of rentals is not statically related to amount paid for residential unit of accommodation across the study

5.0 Results and Discussions

Table 2 Descriptive analysis of factors responsible for rent arrears in Minna Central

Table 2 shows the mean responses of factor responsible for rent in arrears among rental in Minna central area. The table identified first-three important factors responsible for rent arrears in Minna central area. Frequent rent review has ranked first as most important factor of rent arrears among the rentals with highest mean responses at 4.44. This is followed by bad economic condition of renters and deteriorating nature of external housing attributes which were ranked second and third at mean responses of 4.37 and 4.36 respectively.

| Factors | N | Sum | Mean | Ranking |
|--|----|-----|------|---------|
| Deteriorating Dwelling Unit Features | 65 | 264 | 4.07 | 6 |
| Deteriorating and Poor External Household Attributes | 65 | 284 | 4.36 | 3 |
| Poor management and maintenance services | 65 | 245 | 3.77 | 9 |
| Difficult tenancy arrangement | 65 | 274 | 4.23 | 4 |
| Bad economic condition | 65 | 284 | 4.37 | 2 |
| Frequent rent review | 65 | 152 | 4.44 | 1 |
| Rent collectible only in office (non-flexibility) | 65 | 287 | 4.10 | 7 |
| Apartment sharing | 65 | 262 | 4.03 | 8 |
| Lack of proper budget | 65 | 275 | 4.22 | 5 |
| Valid N (listwise) | 65 | | | |

Source: Author's Computation

Table 3 Descriptive analysis of factors responsible for rent arrears in Bosso Town

Table 3 shows the mean responses of factor responsible for rent in arrears among rental in Bosso town. The first-three important factors responsible for rent arrears in Bosso town include: frequent rent review which was ranked first as most important factor of rent arrears among the rentals with highest mean responses at 4.72. this is followed by bad economic condition of renters and deteriorating dwelling unit features which were ranked second and third at mean responses of 4.32 and 4.36 respectively.

| Factors | N | Sum | Mean | Ranking |
|--|----|-----|------|---------|
| Deteriorating dwelling unit features | 62 | 258 | 4.16 | 3 |
| Deteriorating and poor external household attributes | 62 | 246 | 3.96 | 7 |
| Poor management and maintenance services | 62 | 233 | 3.76 | 8 |
| Difficult tenancy arrangement | 62 | 211 | 3.40 | 9 |
| Bad economic condition | 62 | 268 | 4.32 | 2 |
| Frequent rent review | 62 | 293 | 4.72 | 1 |
| Rent collectible only in office (non-flexibility) | 62 | 255 | 4.12 | 4 |
| Apartment sharing | 62 | 250 | 4.04 | 5 |
| Lack of proper budget | 62 | 249 | 4.02 | 6 |
| Valid N (listwise) | 62 | | | |

Source: Author's Computation

Table 4 Descriptive analysis of factors responsible for rent arrears in GRA

Table 4 shows the mean responses of factor responsible for rent in arrears among rental in GRA. The first-three important factors responsible for rent arrears in GRA were identified as follows: bad economic condition which was ranked first as most important factor of rent arrears among the renters with highest mean responses at 4.28. This is followed by lack of proper budgeting and frequent rent review which were ranked second and third at mean responses of 4.08 and 4.00 respectively.

| Factors | N | Sum | Mean | Ranking |
|--|----|-----|------|---------|
| Deteriorating dwelling unit features | 48 | 150 | 3.12 | 7 |
| Deteriorating and poor external household attributes | 48 | 109 | 2.28 | 9 |
| Poor management and maintenance services | 48 | 127 | 2.64 | 8 |
| Difficult tenancy arrangement | 48 | 184 | 3.84 | 4 |
| Bad economic condition | 48 | 205 | 4.28 | 1 |
| Frequent rent review | 48 | 192 | 4.00 | 3 |
| Rent collectible only in office (non-flexibility) | 48 | 184 | 3.83 | 5 |
| Apartment sharing | 48 | 159 | 3.32 | 6 |
| Lack of proper budget | 48 | 196 | 4.08 | 2 |
| Valid N (listwise) | 48 | | | |

Source: Author's Computation

Table 5 Descriptive analysis of factors responsible for rent arrears in F-Layout

Table 5 shows the mean responses of factor responsible for rent in arrears among rental in F-layout. The first-three important factors responsible for rent arrears in F-layout were identified as follows: Bad economic condition which was ranked first as most important factor of rent arrears among the renters with highest mean responses at 4.55. This is followed by Deteriorating dwelling unit features and frequent rent review which were ranked second and third at mean responses of 4.52 and 4.48 respectively.

| | N | Sum | Mean | Ranking |
|--|----|-----|------|---------|
| Deteriorating dwelling unit features | 52 | 235 | 4.52 | 2 |
| Deteriorating and poor external household attributes | 52 | 200 | 3.84 | 5 |
| Poor management and maintenance services | 52 | 156 | 3.00 | 9 |
| Difficult tenancy arrangement | 52 | 189 | 3.64 | 7 |
| Bad economic condition | 52 | 237 | 4.55 | 1 |
| Frequent rent review | 52 | 233 | 4.48 | 3 |
| Rent collectible only in office (non-flexibility) | 52 | 202 | 3.88 | 4 |
| Apartment sharing | 52 | 196 | 3.76 | 6 |
| Lack of proper budget | 52 | 173 | 3.32 | 8 |
| Valid N (listwise) | 52 | | | |

Source: Author's Computation

Table 6 Descriptive analysis of factors responsible for rent arrears in Tunga Low Cost

Table 6 shows the mean responses of factor responsible for rent in arrears among rental in Tunga Low Cost. The first-three important factors responsible for rent arrears in Tunga Low Cost were identified as follows: Deteriorating dwelling unit features which was ranked first as most important factor of rent arrears among the renters with highest mean responses at 4.50.

This is followed by frequent rent review and bad economic condition which were ranked second and third at mean responses of 4.33 and 4.30 respectively.

| Factors | N | Sum | Mean | Ranking |
|--|----|-----|------|---------|
| Deteriorating dwelling unit features | 43 | 194 | 4.50 | 1 |
| Deteriorating and poor external household attributes | 43 | 154 | 3.57 | 6 |
| Poor management and maintenance services | 43 | 128 | 2.97 | 8 |
| Difficult tenancy arrangement | 43 | 123 | 2.87 | 9 |
| Bad economic condition | 43 | 185 | 4.30 | 3 |
| Frequent rent review | 43 | 186 | 4.33 | 2 |
| Rent collectible only in office (non-flexibility) | 43 | 160 | 3.73 | 4 |
| Apartment sharing | 43 | 159 | 3.70 | 5 |
| Lack of proper budget | 43 | 129 | 3.00 | 7 |
| Valid N (listwise) | 43 | | | |

Source: Author's Computation

Table 7 Descriptive analysis of factors responsible for rent arrears in Bosso Estate

Table 7 shows the mean responses of factor responsible for rent in arrears among rental in Bosso Estate. The first-three important factors responsible for rent arrears in Bosso Estate were identified as follows: bad economic condition which was ranked first as most important factor of rent arrears among the renters with highest mean responses at 4.85. This is followed by deteriorating dwelling unit feature and lack of proper budgeting which were ranked second and third at mean responses of 4.80 and 4.50 respectively.

| Factors | N | Sum | Mean | Ranking |
|--|----|-----|------|---------|
| Deteriorating dwelling unit features | 42 | 96 | 4.80 | 2 |
| Deteriorating and poor external household attributes | 42 | 87 | 4.35 | 4 |
| Poor management and maintenance services | 42 | 103 | 4.15 | 5 |
| Difficult tenancy arrangement | 42 | 102 | 4.11 | 6 |
| Bad economic condition | 42 | 145 | 4.85 | 1 |
| Frequent rent review | 42 | 102 | 4.10 | 7 |
| Rent collectible only in office (non-flexibility) | 42 | 98 | 3.90 | 8 |
| Apartment sharing | 42 | 74 | 3.70 | 9 |
| Lack of proper budget | 42 | 98 | 4.50 | 3 |
| Valid N (listwise) | 42 | | | |

Source: Author's Computation

Table 8 Result of Cronbach alpha reliability statistics

The result of cronbach's alpha reliability test showed that there is high level of internal consistent among responses across the study areas. This further showed that at minimum threshold acceptable alpha at 0.75(75%), all responses across the study were said to have maintained high level of reliability as alpha coefficients is more than 75% (0.75) threshold. Therefore the result of responses from the respondent is reliable to a large extent.

| Neighborhoods | Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---------------|------------------|--|------------|
| Minna Central | .758 | .821 | 65 |

| | | | |
|----------------|------|------|----|
| Bosso Town | .785 | .845 | 62 |
| Bosso Estate | .863 | .901 | 42 |
| Tunga Low Cost | .792 | .821 | 43 |
| GRA | .767 | .802 | 48 |
| F-layout | .777 | .833 | 52 |

Source: Author's Computation

Table 4.9 Test of Statistical Significance Relationship among the Rankings across Neighborhoods

The result of test of statistical significance relationship was examined using Kendall's Coefficient of Concordance (W). The result revealed that $W = 0.601$ indicates a statistical evidence of a fair association in the ranking of the factors responsible for rent in arrears, while the average rank correlation of factors between all possible pairs of the towns $r_s = 0.521$ indicating a weak agreement to the identified factors. This result thus suggests that though each neighborhood has its own peculiar factor responsible for the rent in arrears therefore the overall ranking of these factors across the study area are fairly associated. The order of ranking of most important factors are: $BEC_{1 \Rightarrow}$ $FRR_{2 \Rightarrow}$ $DDUF_{3 \Rightarrow}$ $LBP_{4 \Rightarrow}$, $RCO_{5 \Rightarrow}$ $DPEH_{6 \Rightarrow}$ $AS_{7 \Rightarrow}$ $DTA_{8 \Rightarrow}$ $PMMS_9$.

| | DDUF | DPEH | PMMS | DTA | BEC | FRR | RCO | AS | LBP |
|----------------|-------|------|------|------|-----|-----|------|------|-----|
| Minna Central | 6 | 3 | 9 | 4 | 2 | 1 | 7 | 8 | 5 |
| Bosso Town | 3 | 7 | 8 | 9 | 2 | 1 | 4 | 5 | 6 |
| Bosso Estate | 2 | 4 | 5 | 6 | 1 | 7 | 8 | 9 | 3 |
| Tunga Low Cost | 1 | 6 | 8 | 9 | 3 | 2 | 4 | 5 | 7 |
| GRA | 7 | 9 | 8 | 4 | 1 | 3 | 5 | 6 | 2 |
| F-layout | 2 | 5 | 9 | 7 | 1 | 3 | 4 | 6 | 8 |
| T_1 | 21 | 34 | 47 | 39 | 10 | 17 | 32 | 39 | 31 |
| $\sum T_1^2$ | 441 | 1156 | 2209 | 1521 | 100 | 289 | 1024 | 1521 | 961 |
| W | 0.601 | | | | | | | | |
| r_s | 0.521 | | | | | | | | |

Source: Author's Computation

Table 10 Analysis of Variance in Mean Responses of Renters

The result of analysis of variance in mean responses of factors responsible for rent arrears in across the neighborhoods is presented in table 10. The result of F-statistics 3.3519 is statistically significance at p-value less that 0.05level of significance (0.0112<0.05). The result further indicates that there is a statically significant difference in the responses of respondents to the identified factors. This further suggests that the opinion of rentals on the identified factors responsible for rent arrears is not the same across the neighborhoods, in other word there is variation in the factors responsible rent arrears across the selected neighborhoods.

| <i>Source of Variation</i> | <i>SS</i> | <i>Df</i> | <i>MS</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
|----------------------------|--------------|------------|----------------|-----------------|----------------|---------------|
| Between Groups | 4.16457 | 5 | 0.832914 | 3.3519 | 0.0112 | 2.4085 |
| Within Groups | 11.92733 | 48 | 0.248486 | | | |
| Total | 16.0919 | 53 | | | | |
| | | | | | | |
| <i>Groups</i> | <i>Count</i> | <i>Sum</i> | <i>Average</i> | <i>Variance</i> | | |
| Minna central | 9 | 37.59 | 4.176667 | 0.04365 | | |
| Boss Town | 9 | 36.5 | 4.055556 | 0.131778 | | |
| Bosso estate | 9 | 38.46 | 4.273333 | 0.1509 | | |
| Tunga low cost | 9 | 32.97 | 3.663333 | 0.3893 | | |
| GRA | 9 | 31.39 | 3.487778 | 0.477844 | | |
| F-layout | 9 | 34.99 | 3.887778 | 0.297444 | | |

Source: Author's Computation

Table 11 Test of relationship between Income Level and Amount Paid for Residential Units

The test of significance difference between income level of rentals and amount paid for residential unit types is carried using chi-square test. The test simply answer the hypothesis that the income level of rentals is not related to amount paid for residential unit of accommodation across the study. The result shows that the calculated chi-square statistics at 139.2 is greater than tabulated chi-square statistic at 0.05 level of significance and degree of freedom 15. The result therefore suggests that the income level of rentals differed from type of accommodation occupied, in other word, the income level and type of accommodation are not related.

| Property Types | level of income | | | | | | |
|----------------|-----------------|-------------|-------------|-------------|-------------|--------------|-------|
| | < N20,000 | 20000-50000 | 51000-80000 | 81000-12000 | 12100-15000 | 151000-above | total |
| Self-(30k-50k) | 54(20.3)) | 10(10.3) | 15(13.3) | 12(17.6) | 9(19.9) | 4(22.59) | 104 |
| 2BR(60k-80k) | 7(19.1) | 9(9.7) | 13(12.5) | 15(16.6) | 23(18.8) | 31(21.3) | 98 |
| 3BR(90-120k) | 0(16.9) | 12(8.6) | 12(11.1) | 20(14.73) | 20(16.7) | 23(18.9) | 87 |
| 4BR(150k-200k) | 0(4.7) | 0(2.4) | 0(3.1) | 6(4.1) | 8(4.6) | 10(5.2) | 24 |
| Total | 61 | 31 | 40 | 53 | 60 | 68 | 313 |

| | | | | | | | |
|---------------------------------|-------|-------|------|------|------|------|--|
| | 55.9 | 0.009 | 0.19 | 2.6 | 13.2 | 15.3 | |
| | 7.7 | 0.054 | 0.02 | 2.56 | 0.8 | 4.4 | |
| | 16.9 | 0.96 | 0.1 | 1.4 | 0.5 | 0.9 | |
| | 4.7 | 2.4 | 3.1 | 0.6 | 1.4 | 4.4 | |
| | | | | | | | |
| <i>X²-calculated</i> | 139.2 | | | | | | |
| <i>Degree of freedom</i> | 15 | | | | | | |
| <i>X²-tabulated</i> | 24.99 | | | | | | |

Finding and Conclusion

The study has therefore highlights bad economic condition, frequent rent review, deteriorating dwelling unit features and lack of proper budget as most important factors responsible for rent in arrears across the neighborhoods. The study further discovered a fair evidence of relationship among ranked the factors responsible for rent arrears. There is evidence of variation among the factors responsible for rent arrears across the areas and the study also found there is no relationship between income level of renters and type of residential accommodation occupied.

Conclusively, the bad economic condition of rentals has played negative role in residential investment and has therefore discouraged real estate investors in the study areas. real estate surveyors has not properly advise their clients appropriately on appropriate for review, in the time of recession, any upward review of rent leads rent arrears among rental. The habit of frequent renovation and maintenance of residential unit serves as motivation to rental to pay rent regularly, otherwise rent in arrears may result. Prioritizing household needs is basic function rental as to avoid rent arrears. Finally the study concludes that though the aforementioned factors have contributed to rent arrears but rentals across the neighborhoods have not lived within the limit of their income level and this has therefore been major reason inferred from the study for rent arrears.

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