



## Causes of Rental Delinquency in the Residential Property Market in Osogbo, Nigeria

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### ABSTRACT

Rental delinquency is a phenomenon especially, in developing countries while the rate and causes may vary from one country, region, state or locality to another. However, this study examined the rate and causes of rental delinquency in the residential property market in Osogbo, Nigeria. The study is a survey research and the target population for the study comprises estate surveying and valuation firms in the study area, and the residential tenants in their management portfolios. The data was collected with the aid of structured and self-administered questionnaires from twenty-two (22) estate surveying and valuation firms (91.67%), and two hundred and sixty-nine (269) residential tenants (56.05%), and were analyzed with Mean Item Score (MIS) and Mann-Whitney U test (MWU). The results of the MIS revealed that there was a difference in the opinion of both groups on the causes of rental delinquency in the study area. The MWU revealed that there is a statistically significant difference in the opinions of both groups but the effect is small since the average  $r$ -value is 0.24 which implies that there was no common ground as regards the causes of rental delinquency because both groups agreed on a particular variable and disagree on another. The overall mean revealed that irregularity of income ( $M=4.86$ ;  $p$ -value=0.95), high rent as a result of a high gap in rent revision ( $M=4.54$ ;  $p$ -value=0.00), unemployment/loss of job ( $M=4.48$ ;  $p$ -value=0.00), delay response to maintenance by the landlord or managing agent ( $M=3.97$ ;  $p$ -value=0.00), landlord/managing agent failure to consulting the tenant before rent revision ( $M=3.89$ ;  $p$ -value=0.00), cumulative or compounded maintenance problem ( $M=3.89$ ;  $p$ -value=0.00), and health challenge or illness ( $M=3.82$ ;  $p$ -value=0.00) were in agreement as causes of rental delinquency. The study recommends amongst others that the government as a matter of urgency should overhaul the nation's economy through workable policies and programmes, and provides employment opportunities that could guarantee financial freedom that would enable tenants to meet their rental obligations when due.

**Keywords:** Rental delinquency, residential, property market, Osogbo.

### Introduction

In the rental segment of the property market, property owners, known as landlords retain ownership rights over investment properties and may choose to transfer the whole or part of their possession rights to tenants to maximize returns through periodic rental payments. Rental payment is obligatory and must be fulfilled by tenants either on a daily, weekly, monthly, quarterly, half-yearly or annual basis depending on the terms of the rental agreement between the parties involved. The indisposition of a tenant towards rental obligations amounts to delinquency. Delinquency occurs when a person or group of people is contractually obligated to pay an agreed amount but fails to pay on time or in a regular and timely manner (Majaski & Anderson, 2020). Therefore, the term delinquency used in this study is synonymous with default, arrears, and misconduct as has been assumed or adopted in several studies. Rental delinquency is a global phenomenon and a challenge amongst property investors (Mwangi, 1997; & Ogutu, 2013). Also, Dabara, Ankeli, Omotehinshe, Aiyepada, and Agidi (2017). posited that it is an issue in the property market most especially in developing economies. Oni (2010b) observed that tenants were sometimes six months or more behind on rent payments in Lagos, Nigeria. Also, Ogutu (2013) reported that seventy-five (75%) of tenants are in arrears for less than one year at the Kibera decanting site in Nairobi, Kenya. Akogun and Ojo (2013) noted that approximately fifty-eight per cent (58%) of evicted tenants in Ilorin, Nigeria were on the grounds of failure to pay rent when due.

Onatu (2009) stated that the problem of delinquency in rent by residents of social housing institutions in South Africa has reached a crisis point in addressing the country's housing challenges. The challenge can only be keenly addressed by knowing the causes of delinquency in rent. Scott, Cotton and Khan (2013) observed that the alacrity of a tenant to pay rent might likely deteriorate with the state of repairs and habitability standards of rental properties. In the opinion of Addo (2014), the poor maintenance culture amongst landlords significantly increases the rate of depreciation in buildings and consequently affects their physical, technological, functional and economic efficiency. Also, Hoesli and McGregor (2014) stated that the failure of the managing agent to perform his duties competently and diligently can significantly affect the willingness of a tenant to pay rent. Moreover, Borio (2014) posited that in a period of economic recession, unemployment rises and real income falls significantly and it affects the entirety of a nation, especially the middle and low-income earners, thus, these groups of earners will struggle to meet up with their rental obligations. In addition, Ayemoba (2017) observed that any attempt to increase rent without proper consultation by the landlords will result in the refusal of the tenant to pay. Oni (2010a) stated that conflict between landlord and tenant might result in tenant refusal to pay rent and according to Olukolajo (2012), the conflict is usually in the

area of rent revision interval, non-consultative rent revision, a high gap in rent revision, delay response to maintenance, delay response to tenants complaints, poor quality of works, poor property inspection schedule amongst others. Adegoke (2003) noted that the rental and sale markets are integral to the property markets universally. Hence, the factors of mortgage delinquency in home-owning nations can also be the factors for rental delinquency in nations characterized by rentals, thus, unemployment, change in income, divorcement, bereavement, illness, and other debts among others, are critical factors of mortgage default as identified by Berry, Dalton & Nelson (2010).

The rate and causes of rental delinquency among tenants may vary from one market location to the other. Therefore, it is exigent to examine the rate and causes of rental delinquency in the Osogbo property market, in Nigeria. The choice of Osogbo is premised on the fact that despite her status as a capital city and the frequent upsurge in the city's population and real estate development intermittently, rental delinquency study is less – researched compared to other emerged and emerging cities in Nigeria. However, this study is restricted to the residential property segment of the Osogbo rental market, an emerging rental market in Nigeria and the most sophisticated rental market in Osun State, Nigeria. Residential property is considered because tenant indisposition to rental obligations is more common with residential than other property types (Sani & Gbadegesin, 2015).

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## Literature Review

In many of the developed countries and a few of the developing countries, the owner-occupancy rate in residential properties outpaced the non-owner-occupancy rate, which means that residences in these countries are more directly bought by mortgage and less by rentals. In the developed countries, Hofinet (2019) estimates that owner-occupied units in urban areas are 97% in Romania, over 86% in Singapore, approximately 70% in Chile, 85% in Spain, 68% in Canada, approximately 87% in Bulgaria, 65% in the United States, over 55% in Korea, 89% in China, and 50% in the United Kingdom. In these countries, emphasis is given to mortgage delinquency study rather than rental delinquency study since they are home-owning societies. In most developing countries, rental properties constitute an important part of the property market (Dabara, Ankeli, Omotehinshe, Aiyepada, & Agidi, 2017). According to UN-Habitat (2011), the majority of the African population lives in rental housing. In Nigeria, for example, Urobumi (2020) indicates that the owner occupancy rate in Nigeria was 25% in the last quarter of 2018, while according to Hofinet (2019), it declined to 10% as a result of her urban population upsurge in recent time. This implies that the Nigerian property market is more of rentals than sales.

The rental property market and the landlord-tenant relationship are of paramount importance, making it worthy of study among real estate researchers and scholars. On account of the broadness of extant literature on landlord-tenant relationships, a selective review of the literature was made on the focus of this study, which is rental delinquency. Oni (2010a) studied the experience of estate surveyors and valuers as regards rental default in Lagos, Nigeria, using descriptive statistics (percentages) to analyse default rates. The study established that the rate of rent default is high and thus alarming, and tenants were sometimes six months or more behind on payments. In a similar study, Akogun and Ojo (2013) examined the rate of rent default on the eviction of tenants by property managers in the Ilorin metropolis, Nigeria. The study adopted descriptive statistics and established that the rate of default in rent amongst tenants is alarming and accounted for approximately fifty-eight per cent (58%) of evicted tenants in Ilorin. Ogutu (2013) investigated the cause of rent arrears in public housing at the Kibera decanting site in Kenya and adopted descriptive statistics (mean satisfaction score). The study established that the tenants fall in rent arrears as a result of dissatisfaction with neighbourhood conditions and the porous state of security in the public housing. This is in tandem with the opinion of Scott et al. (2013) that the willingness of a tenant to pay rent might likely deteriorate with the state of repairs and habitability standards of rental properties. Obayomi (2014) examined the causes of rent default in property management and adopted simple descriptive statistics. The study observed that the country's economic condition, non-payment of salaries, inconsistency of tenant's income, unforeseen circumstances, and bad characters are the major causes of default. Similarly, Sani and Gbadegesin (2015) investigated the causes of tenants' failure to pay rent in the private rental housing market in the Kaduna metropolis using a mean score. The study identified five causes of delinquency in rent which include tenant unstable income, deficient tenancy management, harshness or lack of flexibility in landlords' instructions and policy on rent collection, breach of tenancy agreement in terms of the landlord not implementing repair covenant and lack of effective tenancy legislation. The study ranked neglect of repairs by landlords as the major cause and deficient tenancy management as the least cause of delinquency in rent. Although both studies of Obayomi (2014), and Sani and Gbadegesin (2015) were carried out at different locations (Ile-Ife and Kaduna), The studies reported that tenants' unstable income is the major cause of non-payment of rent when due in Ile-Ife and Kaduna respectively.

Dabara et al. (2017) examined rent default factors in residential properties in Osogbo, Nigeria and adopted both descriptive and inferential statistics to analyze the data obtained. The study found out that the most critical factor is unemployment/retranchment while the least important factor is the unilateral increase of rent by property owners. The study concluded that a careful selection of tenants, and periodic inspection of property amongst others could reduce the menace of rent falling into arrears in the study area. Kemiki, Ayoola, Ojetunde, Ogunbajo and Kuma (2018) studied the factors responsible for rent arrears in residential properties in the Minna metropolis, Nigeria and used the Kendall coefficient of concordance and chi-square to analyze the data. The study established that bad economic conditions, frequent rent reviews, deteriorating dwelling unit features and lack of proper budget are the most important causes for rent arrears in the study area. It corroborates the study of Dabara et al. (2017) that a unilateral increase in rent by property owners is a major cause of rental delinquency in the residential property market. Also, it is in tandem with the study of Obayomi (2014) that the country's economic condition, non-payment of salaries, and inconsistency of tenant's income amongst others, are the causes of rental delinquency. Thambu (2019) examined the causes of delinquency in rent amongst tenants in Nairobi County, Kenya. Descriptive statistics (mean and standard deviation) and inferential statistics (regression analysis and analysis of variance) were used to analyze the responses from the study. Findings show that economic conditions, unemployment, poor landlord-tenant relationships, harsh landlord-tenant law, invalid leasehold agreements, miserable house conditions, unilateral increases in rent, and incompetent property managers amongst others, are the causes of delinquency in rent. The findings corroborate the study of Dabara et al. (2017) that unilateral increase in rent is a major cause of rental delinquency in Osogbo, Nigeria and also in tandem with the study of Ogutu (2013)

that stipulated miserable house condition as the major cause of rent arrears in public housing in Kibera, Kenya. Furthermore, the frequent review of rent and the unilateral increase in rent as postulated by Kemiki et al. (2018) and Dabara et al. (2017) will have a significant increase in the percentage of household income spent on rent.

The causes of rental delinquency among tenants may vary from one market location to the other. Therefore, it is imperative to replicate the above studies in Osogbo, Nigeria. A similar study of rent default factors in Osogbo was conducted by Dabara et al. (2017). Apart from the fact that this is the only study of rent defaults in Osogbo's residential rental market, the study was carried out some years back and identified only six factors of default in rent. However, this requires further research into Osogbo's residential rental market. To fill the gaps identified, this study will empirically determine the rate and causes of rental delinquency in residential properties in Osogbo, Nigeria.

## The Study Area

Osogbo is an urban settlement and has since been the capital of Osun State following her emergence from the old Oyo State in 1991. It covers an area of about 140 square kilometres, representing 0.015% of Nigeria's territorial landmass. Geographically, Osogbo is situated on Latitude 7° 46' 0" North and on Longitude 4° 34' 0" East and climatically lies at a height of 500 meters (800 feet) above sea level. The UN-World Urbanization Review (2022) put the city's population at approximately 772,000. Since its emergence as a State Capital, residential property investment has been at its peak due to the persistent demand for various residential units orchestrated by the influx of people from far and near into the State Capital for greener pastures. There are multifarious residential units in Osogbo. These residential units are of various types, designs, and sizes. A significant proportion of the residential units were built by private individuals and rented out to individual or corporate organizations in consideration of a periodic payment known as rent.

## Methodology

The descriptive survey design was adopted and the target population comprises both the estate surveying and valuation firms and the residential tenants in their management portfolios. The estate surveying and valuation firms are considered for the study because they act as intermediaries between landlords and tenants and are conversant with the happenings in the rental market in Nigeria. On the other hand, the residential tenants are considered for the study because they are the users of residential rental property for a fixed or determinable period in consideration for a periodic payment known as rent which is the main focus of this study. The sampling frame for this study is registered estate surveying and valuation firms in Osogbo gotten from the 2021 list of firms of the Nigerian Institution of Estate Surveyors and Valuers, Osogbo branch. From the list, the Estate Surveying and Valuation firms in Osogbo are twenty-four (24). Also, the number of residential tenants (480) is obtained from the management portfolios of the registered estate surveying and valuation firms in the study area. Therefore, these constitute the sampling frame for the study. However, for the sample size, this study considered a complete or total enumeration since the sample frames are within manageable sizes. A structured and self-administered questionnaire was used to elicit primary data which were analyzed using both descriptive (Mean Item Score) and inferential (Mann-Whitney U Test) statistics.

## Analysis and Results

**Table 1: Rate of Rental Delinquency in Residential Properties**

Item	Absolute Frequency					Total	Mean	Remark
	VH (5)	H (4)	M (3)	L (2)	VL (1)			
Rental Delinquency Rate	1	13	6	2	-	22	3.59	High

Very high (VH); High (H); Moderate (M); Low (L); Very low (VL)

Source: Author's Field Survey, 2022

Table 1 shows the rate of rental delinquency in the residential properties in the management portfolios of the estate surveying and valuation firms. A 5-point Likert Scale (very high, high, moderate, low and very low) was adopted and a scale value was assigned to each of the responses and a mean score was employed to determine the rental delinquency rate. The result shows a mean score of 3.59 which according to Oke and Aghimien (2018) classification (5.00-4.50: Very high; 4.49-3.50: High; 3.49-2.50: Moderate; 2.49-1.50: Low; and 1.49-0: Very low) denotes a high rate. This implies that the rate of rental delinquency in residential properties in the study area is alarming.

**Table 2: Rental Delinquency Period in Residential Properties**

Period	Frequency (f)	Mid-point (x)	fx	Percentage	Mean
1 – 3 months	3	2	6	13.6	0.2727
4 – 6 months	6	5	30	27.3	1.3636
7 – 9 months	10	8	80	45.5	3.6363
10 – 12 months & over	3	11	33	13.6	1.5000
<b>Total</b>	<b>22</b>	<b>30</b>	<b>149</b>	<b>100.0</b>	<b>6.7720</b>

**Source: Author's Field Survey, 2022**

Table 2 shows the rental delinquency period in residential properties in the study area. The result shows that three respondents ( $P=13.6$ ;  $M=0.2727$ ), six respondents ( $P=27.3$ ;  $M=1.3636$ ) and ten respondents ( $P=45.5$ ;  $M=3.6363$ ) noted that the rental delinquency period in the study area is between 1 – 3 months, 4 – 6 months and 7 – 9 months respectively, while three respondents ( $P=13.6$ ;  $M=1.5000$ ) noted between 10 – 12 months and over. However, the result shows a total mean score of 6.772 which implies that the average rental delinquency period experienced by the Estate Surveyors and Valuers in the study area is occasionally 6.772 months. Therefore, the result in Table 1 revealed a high rate of delinquent rents amongst tenants in residential properties in the study area and the result in Table 2 revealed that the rental delinquency period is as high as 6 months and over.

**Table 3: Opinions of the Estate Surveying and Valuation Firms and the Tenants on the Causes of Rental Delinquency**

S/N		Firms			Tenants		
		Mean	SD	Remark	Mean	SD	Remark
1.	Irregularity of income	4.86	0.35	SA	4.87	0.34	SA
2.	A high gap in rent revision	3.95	0.49	A	4.58	0.53	SA
3.	Unemployment/loss of job	4.05	0.58	A	4.48	0.57	A
4.	Delay response to maintenance	1.95	0.21	D	4.14	0.63	A
5.	Non-consultative rent revision	2.68	0.72	U	3.87	1.18	A
6.	Cumulative maintenance problems	1.77	0.43	D	4.07	0.95	A
7.	Health challenge/illness	3.00	0.87	U	3.86	0.79	A
8.	Debts/ loan repayment	2.77	0.43	U	3.51	0.69	A
9.	Neglect of repairs by the landlords	1.95	0.21	D	3.26	1.43	U
10.	Rent review interval	2.32	0.95	D	3.03	0.94	U
11.	Poor social disposition of property managers and landlords to tenants	1.59	2.56	D	2.76	1.23	U
12.	Bereavement	3.05	0.21	U	2.43	1.18	D
13.	Divorcement	3.00	0.00	U	2.16	1.11	D
14.	Poor quality of work on repairs and renovation	1.41	0.50	SD	2.33	1.35	D
15.	Poor visitation/inspection schedule	1.36	0.49	SD	2.26	1.12	D
16.	Failure to pay property-related taxes by landlords	1.32	0.48	SD	2.36	1.52	D
17.	Accelerated obsolescence	2.00	0.00	D	1.96	0.56	D
18.	Insecurity of lives and properties	1.18	0.39	SD	1.94	0.50	D
19.	Litigation on the property	1.18	0.39	SD	1.54	0.55	D
20.	Notice of compulsory acquisition by government	1.00	0.00	SD	1.42	0.54	SD

*Strongly agree (SA); Agree (A); Undecided (U); Disagree (D); Strongly disagree (SD)*

**Source: Author's Field Survey, 2022**

Table 3 shows the opinions of the estate surveying and valuation firms and the tenants on the causes of rental delinquency in residential properties in the study area. A 5-point Likert Scale (strongly agree, agree, undecided, disagree and strongly disagree) was adopted. However, a scale value was assigned to each of the responses and a mean score and standard deviation were employed in ranking the responses to determine the precedence of the causes of rental delinquency considered by this study. Using a mean classification as suggested by Oke and Aghimien (2018) (5.00-4.50: Strongly agree; 4.49-3.50: Agree; 3.49-2.50: Undecided; 2.49-1.50: Disagree; and 1.49-0: Strongly disagree), only irregularity of income ( $M=4.86$ ;  $SD=0.35$ ), unemployment/loss of job ( $M=4.05$ ;  $SD=0.58$ ), high rent as a result of the high gap in rent revision ( $M=3.95$ ;  $SD=0.49$ ) were in agreement as causes of rental delinquency while others, as identified on the Table, shows disagreement except bereavement ( $M=3.05$ ;  $SD=0.21$ ), health challenge or illness ( $M=3.00$ ;  $SD=0.87$ ), divorcement ( $M=3.00$ ;  $SD=0.00$ ), debts or loan repayment by the tenant ( $M=2.77$ ;  $SD=0.43$ ), and landlord/managing agent failure to consulting the tenant before rent revision ( $M=2.68$ ;  $SD=0.72$ ) that were undecided. The partners of the estate surveying and valuation firms agreed that only three (3) of the considered causes, that is, irregularity of income ( $M=4.86$ ;  $SD=0.35$ ), unemployment/loss of job ( $M=4.05$ ;  $SD=0.58$ ), and high rent as a result of the high gap in rent revision ( $M=3.95$ ;  $SD=0.49$ ) are the causes of rental delinquency. The reason may be because when income flow becomes irregular tenants become unemployed as a result of job loss or there is a persistent increase/high gap in rent revision, residential tenants will be incapacitated to pay rent as at when due and by implication, makes rental delinquency prevalent amongst residential tenants, especially in the study area.

Table 3 also shows the tenants' opinions on the causes of rental delinquency in residential properties in the study area. Only irregularity of income ( $M=4.87$ ;  $SD=0.34$ ), high rent as a result of a high gap in rent revision ( $M=4.58$ ;  $SD=0.53$ ), unemployment/loss of job ( $M=4.48$ ;  $SD=0.57$ ), delay response to maintenance by the landlord or managing agent ( $M=4.14$ ;  $SD=0.63$ ), cumulative or compounded maintenance problem ( $M=4.07$ ;  $SD=0.95$ ), landlord/managing agent failure to consulting the tenant before rent revision ( $M=3.87$ ;  $SD=1.18$ ), health challenge or illness ( $M=3.86$ ;  $SD=0.79$ ), and debts or loan repayment by the tenant ( $M=3.51$ ;  $SD=0.69$ ) were in agreement as the causes of rental delinquency while others, as identified on the Table, shows disagreement except intentional neglect of repairs by the landlord or managing agent ( $M=3.26$ ;  $SD=1.43$ ), persistent review of rent within a short space of time ( $M=3.03$ ;  $SD=0.94$ ), and social indisposition of landlord or managing agent ( $M=2.76$ ;  $SD=1.23$ ) that were undecided. From the perspective of the tenant, the study shows that the above factors incapacitated the tenants to pay rent as at when due and by implication, makes rental delinquency prevalent amongst residential tenants in Osogbo, Nigeria. From the Table, it was observed that there was a difference in the opinions of both groups

(partners of estate surveying and valuation, and the tenants) as regards the causes of rental delinquency which necessitated the use of the Mann-Whitney U test to determine the degree of difference in their opinions. The result is presented in Table 4.

**Table 4: Mann – Whitney U test of Difference in Opinions on the Causes of Rental Delinquency in Residential Properties**

S/N		Firms		Tenants		Overall Mean		Mann-Whitney				
		Mea n	SD	Mean	SD	Mean	SD	Rem.	U-Test	Z	P- Value	r
1.	Irregularity of salary/income	4.86	0.35	4.87	0.34	4.86	0.35	SA	2715.00	0.06	0.95	0.00
2.	A high gap in rent revision	3.95	0.49	4.87	0.34	4.86	0.35	SA	1171.50	5.13	0.00*	0.30
3.	Unemployment/loss of job	4.05	0.58	4.48	0.57	4.48	0.59	A	1617.00	3.60	0.00*	0.21
4.	Delay response to maintenance	1.95	0.21	4.14	0.63	3.97	0.87	A	0.00	8.44	0.00*	0.49
5.	Non-consultative rent revision	2.68	0.72	3.87	1.18	3.89	1.16	A	1039.50	5.07	0.00*	0.30
6.	Cumulative maintenance problems	1.77	0.43	4.07	0.95	3.89	1.15	A	199.50	7.55	0.00*	0.44
7.	Health challenge/illness	3.00	0.87	3.86	0.79	3.82	0.84	A	1382.00	4.06	0.00*	0.24
8.	Debts/ loan repayment	2.77	0.43	3.51	0.69	3.49	0.71	U	1168.50	4.93	0.00*	0.29
9.	Neglect of repairs by the landlords	1.95	0.21	3.26	1.43	3.24	1.38	U	1135.50	4.66	0.00*	0.27
10.	Rent review interval	2.32	0.95	3.03	0.94	3.02	0.97	U	1578.00	3.51	0.00*	0.21
11.	Poor social disposition of property managers and landlords to tenants	1.59	0.59	2.76	1.23	2.72	1.44	U	631.00	6.18	0.00*	0.36
12.	Bereavement	3.05	0.21	2.43	1.18	2.54	1.15	U	2082.00	1.91	0.06	0.11
13.	Divorcement	3.00	0.00	2.16	1.11	2.29	1.10	D	1463.00	3.76	0.00*	0.22
14.	Poor quality of work on repairs and renovation	1.41	0.50	2.33	1.35	2.28	1.38	D	1645.00	3.25	0.00*	0.19
15.	Poor visitation/inspection schedule	1.36	0.49	2.26	1.12	2.20	1.15	D	1515.00	3.64	0.00*	0.21
16.	Failure to pay property-related taxes by landlords	1.32	0.48	2.36	1.52	2.14	1.42	D	753.50	2.98	0.00*	0.17
17.	Accelerated obsolescence	2.00	0.00	1.96	0.56	1.96	0.56	D	2618.00	0.38	0.70	0.02
18.	Insecurity of lives and properties	1.18	0.39	1.94	0.50	1.88	0.55	D	895.00	6.39	0.00*	0.37
19.	Litigation on the property	1.18	0.39	1.54	0.55	1.50	0.55	D	1857.00	2.84	0.01*	0.17
20.	Notice of compulsory acquisition by government	1.00	0.00	1.42	0.54	1.37	0.53	SD	1705.00	3.52	0.00*	0.21

\*p-value significant at 0.05

Strongly agree (SA); Agree (A); Undecided (U); Disagree (D); Strongly disagree (SD)

**Source: Author's Field Survey, 2022**

Table 5 shows the result of the Mann – Whitney test conducted. The result shows that there is a statistical difference in the opinions of both groups on high rent as a result of a high gap in rent revision ( $r$ -value=0.30; effect=moderate), unemployment/loss of job ( $r$ -value=0.21; effect=small), delay response to maintenance by the landlord or managing agent ( $r$ -value=0.49; effect=moderate), landlord/managing agent failure to consulting the tenant before rent revision ( $r$ -value=0.30; effect=moderate), cumulative or compounded maintenance problem ( $r$ -value=0.44; effect=moderate), health challenge or illness ( $r$ -value=0.24; effect=small), debts or loan repayment by the tenant ( $r$ -value=0.29; effect=small), intentional neglect of repairs by the landlord or managing agent ( $r$ -value=0.27; effect=small), persistent review of rent within a short space of time ( $r$ -value=0.21; effect=small), and social indisposition

of the landlord or managing agent ( $r$ -value=0.36; effect=moderate). Others are divorce (  $r$ -value=0.22; effect=small), poor quality or substandard repairs and renovation by the landlord or managing agent ( $r$ -value=0.19; effect=small), poor visitation/inspection schedule by landlord or managing agent ( $r$ -value=0.21; effect=small), failure of a landlord to pay property-related taxes ( $r$ -value=0.17; effect=small), insecurity of lives and properties ( $r$ -value=0.37; effect=moderate), and notice of compulsory acquisition by government ( $r$ -value=0.17; effect=small), and litigation on the property ( $r$ -value=0.21; effect=small). The average  $r$ -value is 0.24 which denotes a small effect according to Cohen's (1988) classification (0.1=small effect; 0.3=medium; and 0.5=large). Summarily, the Mann-Whitney U test revealed that there is a significant difference in the opinions of both groups but the effect is small which implies that there was no common ground as regards the causes of rental delinquency because both groups agreed on a particular variable and disagree on another.

The overall mean in Table 5, revealed that only seven (7) that is, irregularity of income ( $M=4.86$ ;  $p$ -value=0.95), high rent as a result of high gap in rent revision ( $M=4.54$ ;  $p$ -value=0.00), unemployment/loss of job ( $M=4.48$ ;  $p$ -value=0.00), delay response to maintenance by the landlord or managing agent ( $M=3.97$ ;  $p$ -value=0.00), landlord/managing agent failure to consulting the tenant before rent revision ( $M=3.89$ ;  $p$ -value=0.00), cumulative or compounded maintenance problem ( $M=3.89$ ;  $p$ -value=0.00), and health challenge or illness ( $M=3.82$ ;  $p$ -value=0.00) were in agreement as causes of rental delinquency in residential properties in the study area.

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## Discussion of Findings

1. The study found that the rate of rental delinquency in residential properties in Osogbo is high and thus, alarming while the average rental delinquency period is occasionally 6 months. This corroborates the results of Oni (2010) and Thambu (2019) that the rate of rent default is alarming in Lagos, Nigeria and Kibera, Kenya respectively, while the majority of the tenants are in arrears for an average of 6 months.
2. Also, the study found out that both respondents (Estate Surveyors and Valuers, and tenants) in the study area believe that when income is irregular, a tenant will find it difficult to pay rent when due. Moreover, too much increase in rent and the landlord/managing agent's failure to consult with the tenant before the rent revision might incapacitate a tenant to pay especially when such tenant's income is static. Also, when some tenants lose their jobs and become unemployed, such tenants will find it difficult to pay subsequent rent. More so, delays in maintenance work and cumulative maintenance problems as a result of a non-challan attitude of the landlord/managing agent might discourage some tenants from paying rent. In addition, tenants that are grounded with sicknesses and ailments will fail in the payment of rents most especially when the sickness and ailment incapacitate a tenant to work. These reflect the findings of Sani and Gbadegesin (2015); and Thambu (2019) that unstable incomes/economic conditions of a tenant cause the tenant's failure to pay rent when due. Moreover, it corroborates the findings of Kemiki et al. (2018) that high rent as a result of frequent rent reviews and deterioration of housing attributes are important factors contributing to rent arrears. Furthermore, it affirms the findings of Dabara et al. (2017) that unemployment/retrenchment and neglect of repairs and maintenance significantly predicted rent default. However, none of these authors' findings are either in tandem or contrary to the fact that the health challenge or illness of a tenant incapacitates such a tenant to pay subsequent rent as established by this study.

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## Conclusion and Recommendations

From all indications, the rate at which rent is delinquent amongst residential tenants in Osogbo is alarming to the extent that the Estate Surveyors and Valuers are experiencing different periods of rental delinquency with their varying levels of experience in managing residential properties. Failure to address this alarming rate of delinquency in rents could discourage further investment in residential properties which could lead to a serious housing crisis.

The causes of rental delinquency may differ from one market location to another. However, this study has found that irregularity of income, high rent as a result of the high gap in rent revision, unemployment/loss of job, delayed response to maintenance by the landlord or managing agent, and landlord/managing agent failure to consult the tenant before rent revision, cumulative or compounded maintenance problem and health challenge or illness are the causes of the high and alarming rate of rental delinquency in the residential property market in Osogbo, Nigeria. This phenomenon affects the economic returns, incapacitates the financial obligations of the investors (landlords) and makes the professional competence of managing agents (Estate Surveyors and Valuers) doubtful. The study recommends that the government should establish and enforce regulations regarding monthly rent payments. This initiative will encourage employed tenants to embrace the monthly automated rent payment system. The system enables tenants to arrange automatic debits from their bank accounts to cover their monthly rent payments. However, while the system is effective, it may not entirely eliminate the likelihood of delinquent rent by residential tenants. In addition, the government as a matter of urgency should overhaul the nation's economy through workable policies and programmes and provide employment opportunities that could guarantee financial freedom that would enable tenants to meet their rental obligations when due. Also, the investors (landlords) should promptly respond to repairs and maintenance to avoid cumulative or compounded maintenance problems that could discourage tenants from paying rent.

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