

Does the COVID-19 affect tenants' adherence to lease obligations in rental market? Property managers' perspective

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Abstract

Purpose – The purpose of this paper is to investigate how the pandemic affects tenants' response to their lease obligations. This paper commences with examining the adopted tenant selection criteria during the COVID-19 pandemic. Then, this paper statistically tests if there is a relationship between selection criteria and response on whether the pandemic has effects or not. Then, this paper investigates the specific areas of impact on tenants' ability to adequately keep to lease agreements in the Nigerian rental market. Finally, this paper proceeds to confirm if there is a relationship between selection criteria and the aspects of tenants' deficiencies in rental obligations because of COVID-19.

Design/methodology/approach – Survey data, backed with interviews, is elicited from practicing estate surveyors and valuers and licensed property managers in Lagos, the largest property market in Nigeria and sub-Saharan Africa. Policy solutions and implications were solicited from personnel at the ministry of housing and senior professionals in the property sector. Data were analyzed using descriptive statistics, factor analysis and computer-aided qualitative data analysis, Atlas.ti.

Findings – Tenant's health status is now accorded a priority together with others. Numbers of tenants are challenged with keeping to the prompt-rent-payment rule. Other areas of slight breaches included livestock rearing, subletting, alteration and repair covenants. Except for tenant reputation and tenant family size, there was no significant relationship between tenant's health status consideration and the COVID-19 effect on tenant non-compliance with lease obligation. Tenants' non-compliance with tenancy obligations has a connection with the tenants' affordability, reputation, ability to sign an undertaking and health conditions during the pandemic. This paper recommends rental housing policy review.

Practical implications – It is recommended that the rental policy should be reviewed to give room for rental allowance or palliatives, private rental market regulation, exploration of the national housing fund and, if possible, social housing adoption policy in Nigeria.

Originality/value – This paper draws policymakers' attention to the need to prepare for the future safety net that caters to citizenry welfare in challenging times.

Keywords Tenant compliance, Lease agreement, Tenancy, COVID-19, Policy, Lagos, Rental market

Paper type Research paper



Introduction

Between late 2019 and December 2021, the coronavirus disease 2019 (COVID-19) wreaks much havoc in Nigeria, resulting in tenants lagging in sustaining tenancy obligations (Oyedeki, 2020; Ankeli *et al.*, 2021). It also creates a gap in the housing sector and its management policies in Nigeria. Globally, the COVID-19 has caused global economic turmoil; however, the impact is not uniform. All areas of society have been affected by the COVID-19 pandemic's concept of a new normal. With the COVID-19 pandemic, private- and public-sector employments experience sharp drops with a damaging impact on socio-economic status (Ejiogu *et al.*, 2020; Nanda *et al.*, 2021). The retail sector experiences unprecedented adjustments (Farayibi and Asongu, 2020). The pandemic notoriously impacts rental market stability (Jones and Grigsby-Toussaint, 2020). Low-income tenants have been more vulnerable than their salaried counterparts (Goodman and Magder, 2020).

The worldwide real estate market appears to have gone into hibernation as a result of the COVID-19 epidemic. Because of the current situation of the pandemic, many transactions have been put on hold, if not completely suspended (Matarrocci and Roberti, 2020; Worzala, 2020). Lease and mortgage agreements are being broken as a result of rising housing expenses, a decline in supply and rising demand because of inflation (Evans *et al.*, 2020; Del Giudice *et al.*, 2020). Hoesli and Malle (2021) impliedly indicated that the real estate market is negatively impacted by the epidemic. In fact, there have been several studies on the impact of the COVID-19 on real estate around the world, but there is inadequate empirical research conducted on the impact of the COVID-19 on the rental housing market in a developing market such as Nigeria.

In Nigeria, typically, renters are obliged by the terms of their leases, such as the requirement to pay on time and to keep or not to keep animals/pets, and the obligation not to create any structure or alter the property (Gbadegesin *et al.*, 2016). Within 2020 till date, when the COVID-19 broke out and spread, the study by Ankeli *et al.* (2021) drew attention to tenancy breaches, unusual rental defaults in the property market and other unspecified rental market crises in the developing market. This supports the assertion that commercial real estate investment and tenant management practices experience disruptions caused by the pandemic's restrictions on the market (Matarrocci and Roberti, 2020). In the aspect of tenancy, what is the connection between tenant selection, lease compliance terms and policy direction for improvement?

In the light of the current situation, there have been calls for a paradigm shift in policies to sustain society. This paper investigates the effect of the COVID-19 pandemic on tenants' ability to meet up with lease agreements in the Nigerian rental market. It also points to the policy direction.

Literature review

The COVID-19 and the rental market

The COVID-19 causes rental market disruption, discrimination, changes in strategies and decline (Zhao, 2020). For instance, the housing market discrimination of Maghrebians and Congolese applicants in a *Belgian metropolitan* revealed that a relative net rate of discrimination during the pandemic increased from 20% to 36% for Maghrebians and Belgian candidates, respectively (Verhaeghe and Ghekiere, 2021). The relative net rates of discrimination dropped from 17% to 6% for Belgians but not Congolese. Liu and Su (2021) looked at the impact of the COVID-19 pandemic on housing demand and reported that the pandemic has shifted housing demand away from densely populated areas. The declining value of proximity to consumption amenities and telework-compatible jobs contributes to the decline in demand for density. The COVID-19 pandemic has triggered a shift in

strategies with a resultant decrease in real estate brokers' workflows and clients' expectations. In *Krakow, Poland*, [Marona and Tomal \(2020\)](#) indicated that the COVID-19 compelled the use of online services and digital technologies, resulting in lower rents and higher tenant expectations. Landlords and other clients have switched from short- to long-term rental strategies. Also, [Tomal and Marona \(2021\)](#) revealed that during the first wave of the COVID-19 pandemic in *Krakow*, real estate agents predicted a 13% drop in rents. Rent fell 6.25% between the third and fourth quarters of 2020 because of the second pandemic wave. According to the authors, rents are not expected to return to pre-pandemic levels until late 2022. [Trojanek et al. \(2021\)](#) anticipated a 1.2% increase in prices and a -7.7% reduction in long-term rent between March and December 2020 as a result of the COVID-19. By December 2020, the Airbnb Warsaw market had shrunk by more than 30% as a result of increased short-term rental availability. In other words, a 1% change in Airbnb listings has a 0.031% effect on rental rates. A study conducted in the USA indicated that from mid-March to early June, the local spread of the COVID-19 is followed by a decrease in the median and mean rent. As a result of the government shutdown response to the COVID-19, [D'Lima et al. \(2022\)](#) provided unique findings on pricing effects in housing markets. The authors reported that post-shutdown pricing implications are dependent on property size and structural density in the USA. [Kuk et al. \(2021\)](#) investigated how the COVID-19 pandemic affects the rental housing market in the 49 largest metro regions. Rents in Black, Latino and other diverse communities, on the other hand, are declining steadily. Properties in largely white communities experience rent rises during this period. [Allen-Coghlan et al. \(2020\)](#) discussed policy areas that may need emphasis considering the COVID-19 and explored the consequences for housing demand, supply, price affordability and the rental market. It is possible that the crisis may worsen the already existing mismatch in housing delivery. In this situation, increasing state investment in social and cheap housing seems to be the most effective policy response. [Tanrıvermiş \(2020\)](#) remarked that while the *Turkish* Government intends to revitalize the real estate markets solely through increased sales of existing homes and businesses and tourism-related activities, then it is apparent that the steps implemented to effect radical transformation are still insufficient in the long run. The author emphasizes that not enough work has been done to determine how long the impact will last and what the financial cost will be in the future. [Kadi et al. \(2020\)](#) examined the effects of the COVID-19 on the rental housing market in four major *Austrian* cities using real estate listings. While the transition of converted rented residences to the conventional rental market is expected in the short term, the medium- and long-term prognosis remains unknown. Additionally, the transformation has occurred in each of the four cities examined. However, there is no evidence that increased rental housing availability has resulted in lower rents. Asia-Pacific real estate is affected by the COVID-19. An estimated 15% influence on commercial property rent dynamics according to [Allan et al. \(2021\)](#). The retail property industry has lost almost 30% since the second quarter of 2020. Residential and industrial properties have seen little capital inflows. Government economic stimulus lessens the catastrophic impact. [Evans et al. \(2020\)](#) illustrated how the COVID-19 epidemic reduced demand for rental housing in *Australia* while increasing supply. Renters are disproportionately affected, and global migration has been hindered by border limits. Finding inexpensive long-term accommodation is getting increasingly challenging, particularly in the inner cities of Sydney and Melbourne. Tenants and landlords were aided by incentives. Rents have decreased as a result of lease concessions and rent growth in many locations is expected to be modest in the coming years. In *Barcelona, Spain*, [Llaneza Hesse and Raya Vilchez \(2022\)](#) found an average drop in pricing for complete flat/house and single rooms using a fixed-effects method. Professional supply has another consequence.

Professionalized accommodations showed the largest increase in the minimum stay. In Serbia, Jovanović-Milenković *et al.* (2020) established that the COVID-19 pandemic caused similar havoc to the real estate market in comparison to that of China, the USA and Europe. The severe impact of the COVID-19 on real estate globally is evident in a lot of reported vacancies in offices, low patronage of shopping malls and deserted flats in cities (Baleti *et al.*, 2021).

Research method

A survey and interviews were used to gather data from real estate practitioners, including licensed property managers known as practicing estate surveyors and valuers (ESVs) and officials from the Ministry of Housing.

Quantitative data (questionnaire survey). There are 395 ESVs firms in Lagos (The directory of NIESV: www.firms.niesv.org.ng/niesv_firm_by_location.php?firm_location1=Lagos). We used a recent NIESV state branch continuing professional development program to deliver some questionnaires, while some members were reached via online questionnaires on the same issue. Of the questionnaire, 300 copies were administered at random. The instrument (questionnaire) was developed to reflect the core dimensions of the tenancy agreement. The construct is scaled on a *five-point* Likert scale (Strongly Disagree – 1[. . .]. Strongly agree – 5). It implies that the descriptive analysis of the result can be averaged within the highest value of 5 (Strongly agree). In all, 225 completed questionnaires were returned value because all the items in the instrument were responded to. Four officials from the Ministry of Housing and the Lagos State Property Development Corporation were interviewed to uncover the post-COVID-19 rental market strategy way forward. The quantitative data were analyzed using SPSS.

Qualitative data (interview). Through structured questions, elaborated through intermittent probing, this paper used purposive sampling techniques to elicit information relating to policy solutions from key stakeholders (focus groups). At the start of the interview, about 15 interviews were envisaged. At the turn of *ten* interviews, saturation point was attained and, hence, stopped (Saunders *et al.*, 2018). The interview was transcribed and generated 35 codes, although there are similarities while adding neighbors in the *Atlas.ti* coding environment. It is important to state that a qualitative study is not a probabilistic approach that requires a specific sampling process for the survey. The qualitative data were evaluated using CAQDAS (*Atlas.ti*). The result of the analysis led to the visualization network in Figure 1.

Finding and discussion

Information on the respondents' profiles was collected to establish their suitability for the study. The information obtained includes academic and professional qualifications, professional affiliation, position and years of experience of respondents and firms' areas of practice. All this information is presented in Table 1.

Results in Table 1 show the profile of the property managers that participated in the study. Only 3.6% of the managers had a Diploma/Certificate; 71.1% had HND/BSc; and 17.3% had Master's Degree, while 8.0% had PhD. As regards professional qualifications, the majority (60.0%) of the managers had ANIVS; 27.6% had FNIVS; 3.1% had ARICS; and 2.2% had FRICS, while 7.1% had other professional qualifications not listed in the study. In relation to their years of property management experience, 12.0% had between 1 and 5 years of experience; 25.8% had between 6 and 10 years; 17.3% had between 11 and 15 years; and 16.0% had between 16 and 20 years, while 28.9% had of more than 20 years. Distribution according to the firm's area of professional practice indicates that 3.6% are into property

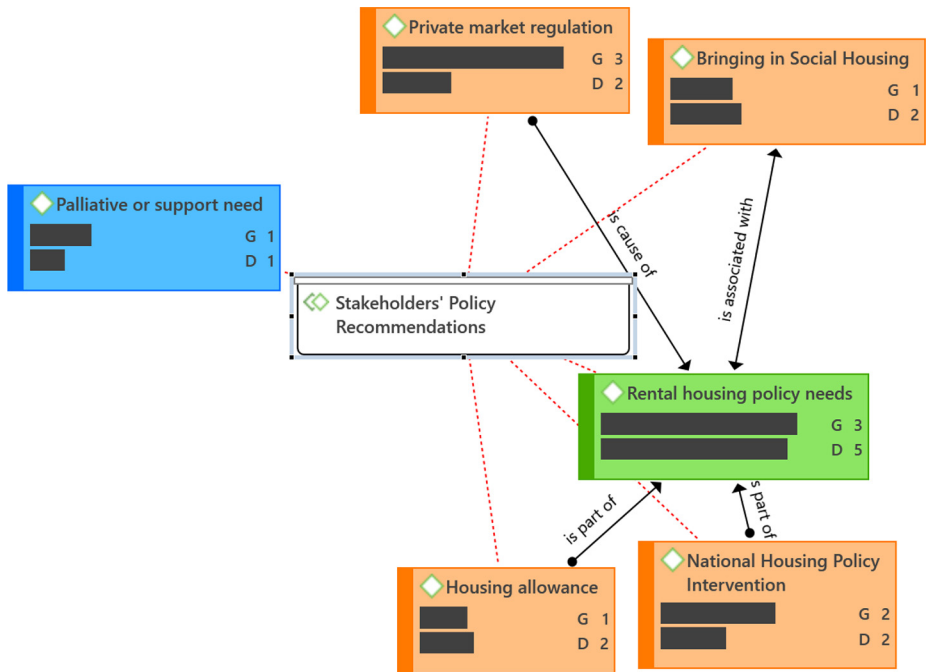


Figure 1.
Policy direction
framework emanated
from rental housing
policymakers'
interview

valuation, 23.1% are into property management/agency and 8.9% are into property development finance and appraisal, while 64.4% are into general real estate services. The size of the firm in terms of staff strength shows that 27.1% had a staff strength of between 1 and 5; 22.7% had between 6 and 10; 16.9% had between 11 and 15; and 14.2% had between 16 and 20, while 19.1% had a staff strength of more than 20 in numbers.

In terms of the experience of incidents of tenants not complying with the terms because of COVID-19, 92.4% of the managers had such experience, while 7.6% did not. Also, 56.9% of the managers described the frequency of experience of acts of non-compliance because of COVID-19 as very common, 38.2% described it as common, while 4.9% described it as uncommon. The implication from the foregoing is that the COVID-19 pandemic indeed wreaks havoc on private tenancy in the Nigerian rental market. This aligns with [Kadi et al. \(2020\)](#) that the pandemic disrupts the market.

Having examined the profiles of the managers and a snap perspective on the pandemic effect on tenant compliance, we proceed to revisit the level of importance that the managers accorded to tenant selection criteria as identified by [Gbadegesin et al. \(2016\)](#).

To achieve the aim of the paper, we analyzed data on tenant selection criteria to identify the level of priority accorded to selection processes. The result of the analysis is presented in [Table 2](#).

Result in [Table 2](#) showed that property managers ranked criteria such as Tenant payment history (Mean = 3.3 and SD = 0.8); Tenant's ability to sign an undertaking (Mean = 3.3 and SD = 0.7); and Tenant's health condition (Mean = 3.3 and SD = 0.7) as *first*. In other words, all these criteria are considered as important in the rating of tenants' selection criteria. Tenant guarantor's status (Mean = 3.2 and SD = 0.6) was ranked 4th. Tenant affordability (Mean = 2.9 and SD = 0.6) and Tenant's family size (Mean = 2.7 and

Table 1. Demographic profile of the estate managers

| Variable | Level | F | (%) |
|---|--|--------------|--------------|
| <i>Academic qualification</i> | Diploma/Certificate | 8 | 3.6 |
| | HND/BSc | 160 | 71.1 |
| | Master's Degree | 39 | 17.3 |
| | PhD | 18 | 8.0 |
| | <i>Total</i> | <i>225</i> | <i>100.0</i> |
| <i>Professional qualification</i> | ANIVS | 135 | 60.0 |
| | FNIVS | 62 | 27.6 |
| | ARICS | 7 | 3.1 |
| | FRICS | 5 | 2.2 |
| | Others | 16 | 7.1 |
| | <i>Total</i> | <i>225</i> | <i>100.0</i> |
| <i>Year of property management experience</i> | Between 1 and 5 years | 27 | 12.0 |
| | Between 6 and 10 years | 58 | 25.8 |
| | Between 11 and 15 years | 39 | 17.3 |
| | Between 16 and 20years | 36 | 16.0 |
| | Above 20 years | 65 | 28.9 |
| <i>Total</i> | <i>225</i> | <i>100.0</i> | |
| <i>Firm's area of professional practice</i> | Property valuation | 8 | 3.6 |
| | Property Management/Agency | 52 | 23.1 |
| | Property Development Finance and Appraisal | 20 | 8.9 |
| | General real estate services | 145 | 64.4 |
| <i>Total</i> | <i>225</i> | <i>100.0</i> | |
| <i>Size of the firm in terms of the firm's staff strength</i> | Between 1and 5 | 61 | 27.1 |
| | Between 6 and 10 | 51 | 22.7 |
| | Between 11 and 15 | 38 | 16.9 |
| | Between 16 and 20 | 32 | 14.2 |
| | Above 20 | 43 | 19.1 |
| <i>Total</i> | <i>225</i> | <i>100.0</i> | |
| <i>Do you experience incident(s) of tenants not complying with the terms because of COVID-19?</i> | Yes | 208 | 92.4 |
| | No | 17 | 7.6 |
| | <i>Total</i> | <i>225</i> | <i>100.0</i> |
| <i>How often do you experience acts of non-compliance because of COVID-19?</i> | Very common | 128 | 56.9 |
| | Common | 86 | 38.2 |
| | Uncommon | 11 | 4.9 |
| | <i>Total</i> | <i>225</i> | <i>100.0</i> |

Table 2. Level of importance placed on basic criteria for tenant's selection

| Serial no. | Criteria | Mean | SD | Rank | Remarks |
|------------|---|------|-----|------|---------|
| 1 | Tenants' reputation | 2.1 | 0.7 | 8th | NI |
| 2 | Tenant affordability | 2.9 | 0.6 | 5th | I |
| 3 | Tenant payment history | 3.3 | 0.8 | 1st | I |
| 4 | Tenant criminal record | 2.9 | 0.6 | 5th | I |
| 5 | Tenant's ability to sign an undertaking | 3.3 | 0.7 | 1st | I |
| 6 | Tenant guarantor's status | 3.2 | 0.6 | 4th | I |
| 7 | Tenant's health condition | 3.3 | 0.7 | 1st | I |
| 8 | Tenant's family size | 2.7 | 0.9 | 7th | I |

Notes: Mean: 1.00–1.50 = Highly unimportant (HU); 1.60–2.50 = Not important (NI); 2.60–3.50 = Important (I); and 3.60–4.00 = Highly important (HI)

SD = 0.9) were ranked 5th and 7th, respectively, while Tenants reputation (Mean = 2.1 and SD = 0.7) was ranked 8th and considered as not important (NI) in tenant’s selection.

The unique finding different from the usual observation here is that property managers now accord a special priority to a tenant’s health status in addition to payment ability and other profiles. The health conditions include issues around the COVID-19 vaccination. It aligns with the global emphasis on multisectoral cooperation on a coordinated strategic policy that could tame the systemic global risk (Rasul, 2020). Having examined the managers’ tenant selection criteria in the market, *what is the relationship between the COVID-19 effect on tenants’ non-adherence with the lease agreement and the selection criteria?* To achieve this, the result of Item 7 on the instrument was cross-examined with the listed selection criteria. Table 3 presents the results.

| Sources | Tenants’ non-compliance incidents because of the Covid-19 | | | | $\chi^2(2)$ |
|--|---|-------|----|------|-------------|
| | Yes | | No | | |
| | n | (%) | n | (%) | |
| <i>Tenants’ reputation</i> | | | | | |
| Not important | 166 | 93.3 | 12 | 6.7 | 23.020* |
| Important | 35 | 100.0 | 0 | 0.0 | |
| Highly important | 7 | 58.3 | 5 | 41.7 | |
| <i>Tenant affordability</i> | | | | | |
| Not important | 31 | 96.9 | 1 | 3.1 | 4.779 |
| Important | 166 | 92.7 | 13 | 7.3 | |
| Highly important | 11 | 78.6 | 3 | 21.4 | |
| <i>Tenant payment history</i> | | | | | |
| Not important | 44 | 95.7 | 2 | 4.3 | 1.058 |
| Important | 64 | 92.8 | 5 | 7.2 | |
| Highly important | 100 | 90.9 | 10 | 9.1 | |
| <i>Tenant criminal record</i> | | | | | |
| Not important | 38 | 92.7 | 3 | 7.3 | 0.029 |
| Important | 143 | 92.3 | 12 | 7.7 | |
| Highly important | 27 | 93.1 | 2 | 6.9 | |
| <i>Tenant’s ability to sign an undertaking</i> | | | | | |
| Not important | 23 | 95.8 | 1 | 4.2 | 0.442 |
| Important | 104 | 92.0 | 9 | 8.0 | |
| Highly important | 81 | 92.0 | 7 | 8.0 | |
| <i>Tenant guarantor’s status</i> | | | | | |
| Not important | 20 | 95.2 | 1 | 4.8 | 0.572 |
| Important | 130 | 92.9 | 10 | 7.1 | |
| Highly important | 58 | 90.6 | 6 | 9.4 | |
| <i>Tenant’s health condition</i> | | | | | |
| Not important | 22 | 91.7 | 2 | 8.3 | 1.724 |
| Important | 104 | 90.4 | 11 | 9.6 | |
| Highly important | 82 | 95.3 | 4 | 4.7 | |
| <i>Tenant’s family size</i> | | | | | |
| Not important | 105 | 92.9 | 8 | 7.1 | 7.250* |
| Important | 45 | 84.9 | 8 | 15.1 | |
| Highly important | 58 | 98.3 | 1 | 1.7 | |

Table 3.
Relationship between
the COVID-19 effect
on tenant non-
adherence and tenant
selection criteria
during the COVID-19

Note: * $p < 0.05$

Results in Table 3 show that tenant reputation and tenant family size had significant relationship with the COVID-19 effect on tenant non-compliance, while no significant relationship was found between the COVID-19 effect on tenant non-compliance and tenant affordability, tenant payment history, tenant criminal record, tenant's ability to sign an undertaking, tenant guarantor's status and tenant's health condition. For instance, the result of *Chi-square* test of relationship obtained between tenant reputation and the COVID-19 effect on tenant non-compliance, $\chi^2 (n = 225) = 23.020$ and $p < 0.05$; and tenant family size and the COVID-19 effect on tenant non-compliance, $\chi^2 (n = 225) = 7.250$ and $p < 0.05$. However, a significant relationship could not be established between tenant affordability, $\chi^2 (n = 225) = 4.779$ and $p > 0.05$; tenant payment history, $\chi^2 (n = 225) = 1.058$ and $p > 0.05$; tenant criminal record, $\chi^2 (n = 225) = 0.029$ and $p > 0.05$; tenant's ability to sign an undertaking, $\chi^2 (n = 225) = 0.442$ and $p > 0.05$; tenant guarantor's status, $\chi^2 (n = 225) = 0.572$ and $p > 0.05$; and tenant's health condition, $\chi^2 (n = 225) = 1.724$ and $p > 0.05$ and the COVID-19 effect on tenant non-compliance. However, in what aspects tenants are found to be defiant with tenancy obligations because of the COVID-19? Table 4 presents the results of the descriptive analysis.

The result in Table 4 shows that rent payment obligation (Mean = 16.6 and SD = 2.0) was ranked as the foremost area where agents/property managers found tenants defiant to tenancy agreements because of the COVID-19 economic challenges. This is followed with not to sub-rule (Mean = 16.1 and SD = 1.6) and ranked second. Ranked third is alteration/illegal erection of structure (Mean = 15.9 and SD = 1.7), while minor repair obligation (Mean = 15.8 and SD = 1.5) and obligations on rearing pets/domestic animals (Mean = 15.8 and SD = 2.1) were ranked fourth among areas where agents/property managers found tenants defiant to tenancy agreements because of the COVID-19. *Is there a relationship between tenant selection criteria and difficulties of compliance during the COVID-19?*

The result in Table 5 shows a relationship between tenant selection criteria during the COVID-19 and aspect of non-compliance, because of the COVID-19. It is shown that during COVID-19, the consideration of tenant reputation has an inverse but significant relationship with keeping livestock rearing and subletting regulations ($r = -0.284$ and $p < 0.05$) and prompt rental payment ($r = -0.162$ and $p < 0.05$) but not with alteration and unauthorized structure ($r = -0.097$ and $p > 0.05$) and failure to carry out necessary repair ($r = -0.040$ and $p > 0.05$). Also, tenant affordability has an inverse but significant relationship with keeping livestock rearing and subletting regulation ($r = -0.162$ and $p < 0.05$) and failure to carry out necessary repair ($r = -0.174$ and $p < 0.05$). There is a positive but non-significant relationship between tenant criminal record and alteration and unauthorized structure ($r = 0.058$ and $p > 0.05$) and failure to carry out necessary repair ($r = 0.037$ and $p > 0.05$). An inverse and significant relationship is established between tenant's ability to sign an undertaking and rental default ($r = -0.138$ and $p < 0.05$) and failure to carry out necessary

Table 4.

Aspects that property managers found tenants' not complying with tenancy agreements because of the COVID-19 pandemic

| Serial number | Points of inadequacy in keeping the agreement | Mean | SD | Rank |
|---------------|--|------|-----|------|
| 1 | Minor repair obligation | 15.8 | 1.5 | 4th |
| 2 | Prompt rent payment obligation | 16.6 | 2.0 | 1st |
| 3 | Not to the sub-let obligation | 16.1 | 1.6 | 2nd |
| 4 | Alteration/Illegal structure obligation | 15.9 | 1.7 | 3rd |
| 5 | Obligations to keep or not to keep pets/domestic animals | 15.8 | 2.1 | 4th |

Table 5.
Relationship between
tenant selection
criteria and tenants'
lease compliance
challenges because of
the COVID-19

| No. | Variable | n | M | SD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|-----|---|-----|-----|-----|----------|----------|----------|----------|----------|--------|---------|-------|---------|---------|-------|----|
| 1 | Tenants' reputation | 225 | 3.3 | 0.5 | — | | | | | | | | | | | |
| 2 | Tenant affordability | 225 | 3.9 | 0.4 | 0.305** | — | | | | | | | | | | |
| 3 | Tenant payment history | 225 | 4.3 | 0.8 | -0.329** | 0.193** | — | | | | | | | | | |
| 4 | Tenant criminal record | 225 | 3.9 | 0.6 | 0.046 | 0.109 | 0.107 | — | | | | | | | | |
| 5 | Tenant's ability to sign an undertaking | 225 | 4.3 | 0.6 | -0.249** | 0.064 | 0.412** | 0.191** | — | | | | | | | |
| 6 | Tenant guarantor's status | 225 | 4.2 | 0.6 | -0.115 | 0.008 | 0.076 | -0.215** | 0.092 | — | | | | | | |
| 7 | Tenant's health condition | 225 | 4.3 | 0.6 | -0.066 | -0.358** | -0.412** | 0.091 | -0.253** | 0.025 | — | | | | | |
| 8 | Tenant's family size | 225 | 3.8 | 0.8 | 0.281** | -0.218** | -0.423** | 0.020 | -0.488** | -0.033 | 0.386** | — | | | | |
| 9 | Livestock rearing and subletting | 225 | 4.0 | 0.4 | -0.284** | -0.162* | -0.020 | -0.049 | -0.035 | -0.067 | 0.216** | 0.015 | — | | | |
| 10 | Timely rental remittance | 225 | 4.2 | 0.5 | -0.162* | -0.080 | -0.077 | -0.055 | -0.138* | -0.027 | 0.223** | 0.053 | 0.218** | — | | |
| 11 | Alteration and unauthorized structure | 225 | 4.0 | 0.4 | -0.097 | -0.107 | -0.036 | 0.058 | -0.026 | 0.008 | 0.212** | 0.055 | 0.514** | 0.038 | — | |
| 12 | Minor repair obligation | 225 | 3.9 | 0.4 | -0.040 | 0.174** | -0.050 | 0.037 | -0.137* | -0.022 | -0.017 | 0.117 | 0.056 | 0.216** | 0.037 | — |

repair ($r = -0.137$ and $p < 0.05$) but not with livestock rearing and subletting ($r = -0.035$ and $p > 0.05$) and alteration and unauthorized structure ($r = -0.026$ and $p > 0.05$). Tenant's health condition has a positive and significant relationship with livestock rearing and subletting ($r = 0.216$ and $p < 0.05$), rental default ($r = 0.223$ and $p < 0.05$), alteration and unauthorized structure ($r = 0.212$ and $p < 0.05$) but an inverse and non-significant relationship with failure to carry out necessary repair ($r = -0.017$ and $p > 0.05$). The implication from the foregoing findings is that because of the unpredictable nature of the COVID-19 pandemic in the developing rental market, the four earmarked tenant selection criteria, *affordability, reputation, ability to sign an undertaking and consideration of tenants' health conditions*, should be prioritized to avoid rental market calamities in the pandemic era.

Practical implications

While the persistent issue may not be resolved overnight, the society must be kept from collapsing. The repercussions of the COVID-19 epidemic on the rental market may necessitate strong government efforts to stimulate the economy and provide citizens with means of subsistence to expedite the recovery of the strangling property market. As a result, this article solicited a policy-imperative approach to address the new normalities in the rental market. Figure 1 presents the analysis of the interview scripts conducted with officials and senior professionals and practitioners in the property sectors. Before arriving at the conclusion, the semi-structured interview was driven by a purposeful question: *How can the lingering tenancy obligations' breaches and the troubled rental market be addressed in urban centers to safeguard investment?* With careful notification of the saturation point, we could generate the framework in Figure 1 naturally.

Several suggestions were raised by the respondent stakeholders. While some made mention of the idea of social housing as a proposal that probably the government and non-governmental agents can adopt to assist our pervasive low-income society, other practical recommendations were raised. This includes a review of rental policy, private rental market regulations, palliative or allowance, especially for low incomers, national housing policy intervention and suggestions to bring social housing strategies.

With the aid of CAQDA, Atlas.ti, the interview scripts from the policymakers put emphasis on the review of rental policy in Nigeria. Every suggestion and agitation anchors on rental housing regulation, housing allowance and harnessing national housing fund towards an improved rental housing market. The foregoing finding aligns with Allen-Coghlan *et al.* (2020) position on policy approaches to address public issues during pandemic times.

Private rental market regulation and proposed policy instruments rethinking

Nigeria's real estate market has expanded in recent years, making it a lucrative investment for both developers and investors. However, as Nigeria's real estate sector develops, the outbreak of the COVID-19 has limited the sector's ability to reach its full potential. The continual rise in rent, deficit and a slew of other issues are just a few of them. These arrays of challenges are complicated by the profit motives of private providers of rental spaces. It is one of the recommendations that the private market should be monitored:

[...] over the years government has been struggling to regulate private market. I think this is going to be a formidable solution if private market can be regulated. Government can not do it all [...].

There is a need for tenancy reform to ensure proper regulation of private actors' activities, especially in the time of uncertainty. The glaring policy vacuum is evident from the outcome of the visualization. For the private rental market to be regulated, there must be a workable and functional policy instrument.

We can not shy away from the fact that our country needs to revisit our rental housing policy to can protect tenants and provide a safety net during a difficult time like COVID-19.

Private rental market regulation connects to rental housing policy review as indicated in visualization network. It connects also to social housing, housing allowance, national housing policy and provision of palliatives for the Nigerian citizenry.

Conclusion

The aim of this paper centered on exploring the impact of the COVID-19 on private rental housing tenancy in Nigerian urban centers. The COVID-19 causes so much havoc globally and locally, and living with it the need for a paradigm shift in the rental housing tenancy and management policy. To achieve the aim, this paper investigated how the pandemic affects a tenant's response to lease obligations. It commenced with examining the adopted tenant selection criteria during the COVID-19 pandemic. Then this paper statistically tested if there is a relationship between selection criteria and response on whether the pandemic has effects on not. Then, the paper investigated the specific areas of impact on tenants' ability to adequately keep to lease agreements in the Nigerian rental market. Finally, it proceeded to confirm if there is a relationship between selection criteria and the aspects of tenants' deficiencies in rental obligations because of the COVID-19. Survey data, backed with interviews, were elicited from practicing ESVs and licensed property managers in Lagos, the largest property market in Nigeria and sub-Sahara Africa. Policy solutions and implications were solicited from personnel at the ministry of housing and senior professionals in the property sector. Data were analyzed using descriptive statistics, factor analysis and CAQDAS, Atlas.ti. In addition to the usual consideration for tenant's rent payment records, affordability and ability to sign an undertaking while selecting tenants to fill vacancies, tenant's health status is now accorded a priority. Among tenants' statutory responsibilities, we found that tenants cannot meet up with prompt rent payments. Other areas of slight breaches included livestock rearing, subletting, alteration and repair covenants. Except for tenant reputation and tenant family size, there was no significant relationship between tenant's health status consideration and the COVID-19 effect on tenant non-compliance with lease obligation. Tenants' non-compliance with tenancy obligations has a connection with the tenants' affordability, reputation, ability to sign an undertaking and health conditions during the pandemic. Our paper recommended rental housing policy review. The paper drew policymakers' attention to the need to prepare for the future safety net that caters to citizenry welfare in challenging times. It is recommended that the rental housing policy should be reviewed to give room for allowance, social housing, private rental housing regulation and exploration of the national housing fund in Nigeria. The paper also drew policymakers' attention to the need to prepare for the future safety net that caters to citizenry welfare in challenging times. It is recommended that housing allowance and resuscitation of social housing are imperatives to rescue the suffocating market and the consumers.

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