E-ISSN: 1116 - 3240 P-ISSN: 3026-9334
MPRI-JAIMR | INTERNATIONAL JOURNAL OF AFRICAN INNOVATION & MULTIDSCIPLINARY RES.
VOL. 05 NO. 2 – JULY, 2024

EVALUATION MENTAL HEALTH AMONGST OTHER TENANTS' SELECTION CRITERIA (A CASE STUDY OF RESIDENTIAL PROPERTIES IN IBADAN METROPOLIS)

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Abstract

This paper aims to determine the proportional relevance of mental health amidst other tenants' selection criteria that property managers consider when choosing tenants with a view to build a ranking system that will facilitate efficient decision-making for residential properties in the Ibadan metropolis. The study adopts a questionnaire survey and the instruments used were administered on sample which was the Estate Surveyors and Valuers. Data collected were analyzed using frequency, percentage, ranking, and Chi-Square. Findings revealed that relevant tenant selection criteria such as family size, Nature of employment, disability, and mental health are considered the highest priority. Also, the study shows that most Estate Surveyors and Valuers have encountered tenants with mental health issues which account for 42.3%, therefore, the computed chi-square which is 47.38 was greater than the tabulated chi-square value of 6.314, which means mental issues should be considered a major criterion for tenants' selection in Ibadan Metropolis.

Keywords:
Evaluation, Mental Health, Tenants' Selection Criteria, Residential Property, Estate Surveyor and Valuer.

Introduction

A strong investing portfolio should include investments in real estate (Olaleye, 2011). Rental income or sales profits are two ways real estate investment proceeds are expressed. A substantial amount of the country's wealth comprises income-producing residential real estate. Residential properties that bring in much money for their owners include mansions, duplexes, apartments, bungalows, studio apartments, and self-contains. This investment may be used to generate revenue through leases and rentals. Consequently, the primary driver of investors' financial commitment to real estate investment is the ability to generate income through leasing or letting (Orelaja et al., 2019).

Choosing tenants for these residential investments meant to generate revenue will inevitably necessitate the assistance of property management. Thus, choosing tenants is one of the most significant and varied aspects of real estate management in the hands of property managers. In

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addition to upholding occupancy rates and guaranteeing the lifespan and profitability of real estate investments, property managers serve as liaisons between property owners and tenants. Nevertheless, this presents them with the challenge of dealing with problematic tenants, which may result in the tenant's eviction. This makes the eviction procedure laborious and entails financial, non-financial, and time expenses.

Tenants' selection is linked to several different issues, such as non-compliance with other tenants' requests, pressure on building components, and rent default (Dabara & Omotehinshe, 2017). Property managers must develop and implement a strategic tenants' selection criterion to address these aspects that contribute to the tenants' selection problem (Fonseca & Silva, 2018). Landlords and property managers employ a variety of characteristics to pick tenants, such as the tenant's ability to pay rent (Dabara & Omotehinshe, 2017), marital status and family size (Bonnet & Pollard, 2021), intensity of use (Gbadegesin & Taiwo, 2013), and so on. The Nigerian tenants' selection process involves a multitude of factors that have impact on the choices made by property managers and mold the tenants' community within a given property. These variables go beyond simple financial considerations and include things like risk management, adherence to the law, and the maintenance of the property's overall quality while also taking psychological aspects and other elements into account.

Most researchers focus more on other criteria like the nature of employment/business to maximize returns. However, considering mental issues as a criterion in Nigeria, there is no or little information about prospective tenants which makes it difficult for a property manager to feel at rest when letting out a residential property. Therefore, the purpose of this study is to determine the proportional relevance of mental health amidst other tenants' selection criteria that property managers consider when choosing tenants to build a ranking system that will facilitate efficient decision-making.

LITERATURE REVIEW

Tenants' selection, as defined by Lusugga Kironde & Pearson (2015) is the process through which property managers or landlords select people or organizations to occupy rental premises following predetermined standards. The purpose of this procedure is to make sure that people renting are trustworthy, accountable, and able to fulfill their responsibilities for paying rent and taking care of the property. The criteria include, in total, the following: defining the criteria, submitting an application, reviewing, and screening; making a selection; signing a lease; and then managing and communicating.

One of the most challenging parts of property management is choosing a suitable tenant for a residential property, as there is no legal framework in Nigeria that specifies the standards to be followed when choosing tenants in the private rental market. As a result, choosing tenants for residential rental properties is a complex process that calls for careful consideration of various factors (Fonseca & Silva, 2018). The tenant is the source of income for a rented house, so choosing the best tenant from a large pool of applicants—one who makes prompt, full rent payments, keeps good relations with the neighbors, and takes care of the property—is a top priority for the property manager. Therefore, the information that the property owner or his agent has access to determines whether the selection is successful or unsuccessful (Olukolajo & Matthew, 2018).

However, because information can be skewed, assuming someone will be a good tenant based solely on the information that is now accessible is not very dependable. However, typically, it isn't

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feasible to determine whether the property manager made the right decision until after they have occupied the property (Fonseca & Silva, 2018). Also, (Olukolajo & Matthew, 2018) contended that although the records of potential tenants may be historically accounted for, there is a propensity for certain features of behavior to alter over time. Let's take the example of a productive tenant who is unable to pay their rent because of erratic fluctuations in the national economy. It becomes challenging to depend just on the tenant records as a result. This is because there is no official document that specifies the standards to be followed when choosing tenants, which makes it much harder to find qualified tenants in Nigeria (Gbadegesin & Taiwo, 2013).

Tenant selection is the most important aspect of successful property management. It involves screening prospective tenants out of many who must have applied for a limited number of accommodation units. Most mistakes can be corrected, but putting the wrong tenant in possession can cost a lot of money and cause endless frustration. The primary method of mitigating the negative effects of poor tenant selection is for seasoned property managers to carefully screen potential tenants.

Although many tools, such as Analytic Hierarchy Process (AHP) and Masters in Computer Applications (MCA), have been created for screening and decision-making, however, the selection of tenants in Nigeria is still done primarily by subjective criteria and intuition. As a result, these tools are not commonly used. Nonetheless, several methods and standards that might be applied to hypothetically screen potential tenants have been discovered by Nigerian academics. According to (Iruobe et al., 2020.), tenant selection practices used by registered real estate firms (property managers) to select suitable tenants can yield adequate returns on investment in residential rental property. These practices include taking into account factors like income, employment/occupation status, job prospects, advance rent payment, marital status, tribe (ethnic group), physical appearance, religion, sex, and number of children (household size).

In Nigeria, residential property managers usually request that prospective tenants fill out an application or acquaintance form with details about their background, work history, education, history of tenancy, quantity of dependents, household size, religion, guarantor, and other details (Ugonabo & Emoh, 2023). Selecting tenants for residential properties in the Ibadan metropolis is based on four main factors, according to (Gbadegesin & Taiwo, 2013), the tenant's personality report, the tenant's impact record, the tenancy report, and the extent of the present requirement. A credit check, a psychological profile of potential tenants, and a recommendation letter from a previous landlord are additional crucial details that the landlord/property manager may obtain as a preventative measure against rent default. Protecting the interests of the real estate investor and securing the property from unreliable tenants are the primary goals of implementing the numerous tenant selection criteria that have been proposed by various academics. Accordingly, Short et al. (2003) believed that to evaluate the risk, it was important to have access to trustworthy information of the tenants, including their ability to pay the requested amount on time, their capacity to pay regularly, and the possibility that they would not owe.

On the other hand, the relative importance of some factors matches the best expectation. According to (Osmond et al., 2015), it's preferable not to rent out a house than to do so to a problematic tenant. He proposed that the most important factors in choosing tenants are their ability and willingness to pay the required rent, their suitability for the property, their ability and willingness to adhere to the terms of the lease, the provision of appropriate references, the payment of rent, and the caution deposit. Emudainohwo (2021) also mentioned that estate

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surveyors should carefully choose tenants based on prestige and the state of the economy at the time of the transaction.

As to the statement made by Ugonabo & Emoh (2023), the policy for tenant selection may differ based on the nature of the property, the owner's goal, and given amenities. Although the implementation of screening and selection processes can significantly enhance property managers' ability to identify quality tenants, there is no assurance that the property manager will inevitably encounter one or two troublesome tenants during period of managing rental properties. He will need to evict bad tenants from among the good ones because they don't pay their rent, cause noise pollution, damage properties, or park rickety cars on the front lawns. Based on one or more of the following factors, most policies are created: i. Ability to pay rent, ii. User's suitability for the property, iii. Tenant suitability, iv. Usefulness of the setting.

"A state of well-being in which the individual realizes his or her abilities, can cope with the normal stresses of life, can work productively and fruitfully, and can make a contribution to his or her community" is what the World Health Organization defines as mental health. Additionally, according to estimates from the World Health Organization (WHO), 450 million people worldwide suffer from a mental problem, and 25% of people will experience mental disease at some point in their lives. Although Nigeria, the most populous nation in Africa, has made enormous strides in the health sector and successfully combated the COVID-19 and Ebola viruses through stronger leadership, laws, and regulations, estate surveyors lack access to information.

But still, due to lack of knowledge and assistance, estate surveyors and valuers in Nigeria have had bad experiences renting to individuals with mental health issues. Most potential tenants who are mentally ill do not typically give up their information to prevent discrimination. Renting to someone with mental health issues is therefore typically a challenging work for an estate surveyor and valuer, particularly in a multi-tenanted property.

METHODOLOGY

The study adopted a survey research method using a questionnaire. A structured non-disguised questionnaire was targeted at registered Estate Surveying and Valuation firms in the Ibadan metropolis. According to the Firms Directory of the Nigerian Institution of Estate Surveyors and Valuers (NIESV), there are 110 registered real estate firms in the Ibadan metropolis (NIESV, 2023). The questionnaire was administered to each of the registered real estate firms and it was self-administered to either the branch manager or senior estate officer in the surveyed firms. Estate Surveyors and Valuers work as agents and property managers to the landlords; hence their role includes among others screening prospective tenants before selecting them for tenancies and managing them throughout their tenancy period (Ige & Audu, 2017).

The questionnaire sought to obtain data on tenant selection criteria of real estate firms for residential properties in the Ibadan metropolis. It was divided into two sections - A and B. Section A provided the demographic data of the respondent Estate Surveyor and Valuer and the firm, while section B identified the requirements for tenants' selection by the firms. The questionnaire contained only close-ended questions to enable coding and quantification of the response for analysis.

In total, 110 questionnaires were distributed using non-probability purposive sampling, and 104 questionnaires representing a 94.6% response rate were retrieved and used for the analysis.

Data collected were analyzed using statistical tools such as frequency and percentage as well as inferential statistics (Chi-Square) were used to analyze the requirements for tenant selection.

RESULT AND DISCUSSION

Table 1: Background information on the respondents (Professionals in the Real Estate Business in the study area)

Characteristics	Frequency	Percentage (%)
Gender		
Male	72	69.2
Female	32	30.8
Educational Background		
B.Sc	36	34.6
HND	56	53.8
OND	12	11.5
Age		
20-30 years	8	7.7
31- 40 years	36	34.6
41 – 50 years	44	42.3
51 & Above	16	15.4
Professional Qualification		
Fellow	12	11.5
Associate	64	61.5
Others	28	26.9
Years of Experience		
3 – 5 years	36	34.6
6 – 10 years	20	19.2
11 – 20 years	44	42.3
30 years & Above	4	3.8

Source: fieild Survey, 2024.

From Table 1 above, male and female professionals are 69.2% and 30.8% (of the 104 respondents) respectively showing that the majority of the study respondents are males. The professional age bracket of 41 – 50 years is the highest. This could be a result of the number of years required to attain educational and professional qualifications for the profession. The minimum educational qualification of the professionals, as the table revealed, is OND (11.5%), while a larger number of them have HND (53.8%).

61.5% of the professionals are Associates and 11.5% are Fellows of the profession which makes them professionally qualified and provides a platform for a higher probability of proficiency in rendering quality services to their clients. Also, the table revealed that a large number of the professionals have long years of experience (between 11 – 20 years) with 42.3%.

Table 2: Awareness of Tenant Selection Criteria

Are you aware	Frequency	Percentage (%)
Yes	104	100
No	-	-

Source: fieild Survey, 2024.

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The above table shows that 100% of the respondents were fully aware of the use of selection criteria in tenant selection in the study area.

Table 3: Necessity of Tenant selection criteria for effective property management

Do you consider its necessity	Frequency	Percentage (%)
Yes	104	100
No	-	-

Source: fieild Survey, 2024.

Table 3 reveals that 100% of the respondents concur with the necessity of tenants' selection criteria for effective property management in the Ibadan Metropolis.

Table 4: Priority ranking used by Estate Surveyors and Valuers in selecting tenants for] residential properties in the Ibadan metropolis

CRITERIA	1ST CHOICE	2ND CHOICE	3RD CHOICE	%	POSITION
Family Size	56	48	-	53.85	4
Urgency of need	24	48	32	23.08	9
Nature of Employment	92	8	4	88.46	1
Ethnicity	20	32	52	19.23	10
Marital Status	32	48	24	30.76	7
Religion	36	24	44	34.61	6
Provision of suitable Guarantor	60	40	4	57.69	3
Age	16	48	40	15.38	11
Gender	28	32	44	26.92	8
Disability	52	44	8	50.00	5
Mental Health	74	16	14	71.15	2

Source: fieild Survey, 2024.

Table 5: Mean Score of Tenant Selection Criteria Choices

	1st Choice	2nd Choice	3rd Choice
GROUP MEAN	44.55	35.27	24.18

Source: fieild Survey, 2024.

Tables 4 and 5 holds data regarding the respondents' agreement with the criteria set out to identify the criteria being used by Estate Surveyors and Valuers in selecting tenants for residential properties in the Ibadan Metropolis and its mean score. Using the First choice as the main priority in Table 4 reveals that the Nature of employment, Mental health, and Provision of suitable Guarantors are ranked first, second, and third position respectively. The criteria to be considered next are; Family Size as the fourth, Disability as fifth, and Religion taking the sixth position. The criteria from the seventh to eleventh position are Marital status, Gender, the urgency of need, Ethnicity, and Age.

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Table 6: How many tenants have you encountered with mental issues

Description	Frequency	Percentage (%)
Detached Building	44	42.3
Multi-Tenanted Building	8	7.7
None of the Above	52	50

Source: fieild Survey, 2024.

Table 6 reveals that half (50%) of the respondents have encountered tenants with mental health issues. However, about 42.3% of the respondents have encountered tenants in detached buildings with mental health issues.

Table 7: How have these tenant selection criteria been effective in property management

Criteria	Effective	Not effective	Effective rate (%)	Rank
Family Size	50	54	51.9	7
Urgency of need	67	37	64.4	6
Nature of Employment	104	-	100	1
Ethnicity	20	84	19.2	11
Marital Status	48	56	46.1	8
Religion	31	73	29.8	9
Provision of suitable Guarantor	70	34	67.3	5
Age	14	90	13.5	12
Gender	29	75	27.8	10
Disability	80	24	76.9	3
Mental Health	88	16	84.6	2

Source: fieild Survey, 2024.

Table 7 shows the effectiveness of the criteria used by Estate Surveyors and Valuers in the Ibadan Metropolis. It is ranked using a percentage of the effectiveness. It shows that the nature of employment is the most effective criterion followed by mental health, disability, provision of suitable guarantor, urgency of need, and family size. However, some criteria are insignificant, they are; marital status, religion, gender, ethnicity, and age.

Testing of Hypotheses

In the study, two hypotheses were postulated and the analyses were done using the Chi-square test statistics.

H_0: Mental health should not be considered a major criterion for tenant selection

H_1: Mental Health should be considered a major criterion for tenant selection

Table 8: do you feel that mental health should be considered a major criterion for tenant selection

Responds	Observed Frequency	Expected Frequency	(O – E)	(O – E)2	(O – E)2/E
Yes	88	72.8	15.2	231.04	3.17
No	16	72.8	56.8	3226.24	44.31
					47.48

Chi-Square Result: 47.48

Degree of freedom is calculated by the formula:

d.f = (number of rows – 1) X (number of columns – 1)
= (2 – 1) X (2 – 1)
= 1

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Therefore, at a 0.05 level of significance and a degree of freedom of 1, the critical value of the chi-square is **6.314**

Decision Rule: Since the computed chi-square is 47.38 is greater than the tabulated chi-square value of 6.314, the null hypothesis is rejected which stated that mental issues should not be considered a major criterion for tenant selection in Ibadan Metropolis, while the alternate hypothesis is accepted which states that mental health should be accepted as a major criterion for tenants' selection.

RECOMMENDATION AND CONCLUSION

Utilizing the tenant selection criterion effectively can aid in keeping an eye on the quality of potential tenants, according to the findings of the study. Since every criterion is interdependent, the selection process should not be limited to a single one and instead take into account multiple factors. Loopholes can be closed with the aid of evaluation and focus on all the criteria.

The study, shows that mental issue was considered as an important criterion, therefore, Government should take absolute charge by providing comprehensive information for property managers and landlords regarding mental health support. Also, property managers should carry out appropriate investigations on prospective tenants to determine their mental state. This is to advise on the type of residential property suitable for them by avoiding nuisance or casualty to the property or the other occupants.

In conclusion,both the will of the patient with mental health challenge and the Government is required for transparency of information on the health status. Also, citizens should not desciminate those with this challenges, but rather help with enable accommodation that would make them recover without committing havoc.

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