Volume 20 Issue 2
Originally issued as F1

Global Journal of Management and Business Research: F
Real Estate, Event and Tourism Management
Volume 20 Issue 1 Version 1.0 Year 2020
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

The Age- Pattern of Home - Ownership in Lagos Metropolis

By O. O. Adewumi
University of Lagos

Abstract- There is an age-pattern of home ownership which varies geographically all over the world. Factors that determine the rate of demand for housing have been linked to the age at first home acquisition. Such as economy stability, housing policies, equity/level of personal funding, mortgage flexibility, academic pursuits, age at marriage, unemployment and economic recession among others. The recent trends of home ownership reflect the age-pattern majority of people will make this commitment. In the United States and Uk research shows that people make their first purchase much younger than their counterparts in other countries especially in developing nations. For instance, at the young age of 22-27 averagely a college graduate and junior employee can afford a down payment on their first home. Althougha contrary 2012 report by the National Association of Realtors in America estimates the average age for first-time home buyers at 31.Similarly In Canada, most young people at ages of 21-27 purchased their first homes that early in life because they could afford to do so either by taking a mortgage loan or borrowing from their parents.

Keywords: age-pattern, mortgage, home ownership, housing demand.

GJMBR-F Classification: JEL Code: L85



Strictly as per the compliance and regulations of:

© 2020. O. O. Adewumi. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

The Age- Pattern of Home - Ownership in Lagos Metropolis

O. O. Adewumi

Abstract- There is an age-pattern of home ownership which varies geographically all over the world. Factors that determine the rate of demand for housing have been linked to the age at first home acquisition. Such as economy stability, housing policies, equity/level of personal funding, mortgage flexibility, academic pursuits, age at marriage, unemployment and economic recession among others. The recent trends of home ownership reflect the age-pattern majority of people will make this commitment. In the United States and Uk research shows that people make their first purchase much younger than their counterparts in other countries especially in developing nations. For instance, at the young age of 22- 27 averagely a college graduate and junior employee can afford a down payment on their first home. Althougha contrary 2012 report by the National Association of Realtors in America estimates the average age for first-time home buyers at 31.Similarly In Canada, most young people at ages of 21 -27 purchased their first homes that early in life because they could afford to do so either by taking a mortgage loan or borrowing from their parents.

In Nigeria and neighboring African countries, the age pattern of home ownership a decade back is still the same as in recent times and is largely determined by socio-economic factors. The factors that determine home ownership in Lagos-Nigeria where evaluated and the age- pattern of home ownership was determined using frequency counts on data obtained via questionnaires administered to mortgage banks in Lagos. Findings are; on the average a Lagos-Nigerian worker is 35 years and above when he makes his first home-purchase. Considering that the amount of loan given depend son the annual income of the applicant. Which is directly proportional to the income level of the applicant and duration of work service. (No of years in gainful employment). In other words, the more you earn the higher your housing loan and vice versa. Which can also be interpreted as the younger you are the lower your chances of obtaining substantial mortgage loan to buy a house.

Keywords: age-pattern, mortgage, home ownership, housing demand.

I. Introduction

Housing is a significant need of man all over the world, next to food and clothing. It serves as the bedrock of man's activities. The decision to own a home is one of the most important decisions a person will make in a life time. To own a house or home as the case may be means to have exclusive rights and control over property (Oxford, 2019). Home ownership is the fact of owning one's own home. Most people all over the world desire to own a home at a stage in life but not everyone can achieve this feat owing to certain limiting factors such as rising prices in property, construction cost and materials an unfavorable mortgage system, bad fiscal policies and economic instability among others.

Despite the high cost of home ownership, studies have shown that most people buy houses not just for status symbol and pride but because they want to have a better lifestyle for their families during retirement. In terms of the provision of a stable and safe environment for children and other family members an opportunity to live in a good, serene and quiet neighborhood.

One of the core ambitions of youth is to own a home at a certain age. Especially after securing a well-paying job, and has worked for a reasonable number of years in stable employment or as an entrepreneur in the informal sector, and the need to settle down and start a family. In certain developed countries such as the U.S there is an ideal age to buy your first home, and that is between the ages of 25 to 34 and by retirement the mortgage is fully paid off. (S. Goodman; s Mayer,2018). Also in England, the English Housing survey (2017), shows that the average age of first time buyers rose from 31 to 33 years. And only about 38 percent of this group owned houses a down from 55 percent a decade earlier owing to rising home prices. Accordingly, a larger percentage of older people are more likely to be home owners. Contrarily, Pescow (2016) affirms that there is no perfect age to buy a house when it comes to taken the plunge it is more about individual readiness. Readiness in terms of steady income, adequate savings, no significant debt, ability to pay up mortgage repayments amongst others.

Rent constitutes about 60percent of the average Nigerian worker's disposable income in contrasts to the 20- 30 percent recommended by the United Nations. The thought of owning a house to the average Working-class Nigerian youth is at the bottom of a scale of priorities and is relative to the individual's financial status/disposable. Also considering the high rate of unemployment in a country where 70.8 percent of the masses live below a dollar a day. (Human Development report, 2006).

From the academic perspective, the Nigerian education system is based on a 6-3-3-4 system. Where the recipient of the education would spend six years in

Author: (M.Sc.) Department of Estate Management, University of Lagos. e-mail: olayemiadewunmi@gmail.com

© 2020 Global Journals

primary school, three years in junior secondary school, three years in senior secondary school, and four years minimum in a tertiary institution *ceteris paribus.* By the time basic formal education is completed and if unhindered by incessant labor strikes, the average age of a university graduate is about 25 years. Inadequately prepared, he is jolted into the realities of a job market that can only provide jobs for a few. Seeking employment also colloquially termed "Job hunting" sometimes prolongs for averagely; 4 years and 10 years in worst case scenarios.

Nowadays, many have given up hope of securing white collar jobs or securing employment in blue-chip companies and have resorted to the informal entrepreneurship sector. This option however, does not guarantee access to a mortgage to buy a house because of the requirement of documentation, collateral and short duration of repayment. Mortgage becomes affordable when the term or years of repayment is long. Someone who has less than 10 years left to retirement does not qualify for a mortgage regardless of his age. Mortgage is now being tied to children who pledge to take over repayment if parents quit active service. Ideally Mortgage repayments span a duration of 30 years.

One of the core ambitions of man is to own a house in his lifetime. Despite huge capital outlay involved in owning a home and the bureaucracy involved, some people buy their first houses early in life while some do buy much later in life. Studies have shown that the challenges that deter home ownership early in life stem from low/unsteady income, no saving culture, high significant personal debts, inability to afford mortgage payments to a poor mortgage structure, economic instability, political unrest and impractical housing policies. All which impact the demand for mortgage negatively.

Although housing problem is universal, the age pattern of home ownership largely differs across developed and developing countries. Studies show that a first-time home buyer in a developed country with a good mortgage structure is much younger than his counterpart in a developing country yet to create a solid mortgage structure that facilitates housing affordability. The reality and constraints of home ownership has remained a hard nut to crack.

In Nigeria housing problems exists mainly in urban settings due to natural population growth and rural-urban migration. Housing problems manifest in the form of slum dwelling, homelessness, overcrowding, squatter settlements and substandard housing units (Ibitoye et al 2015). Over the last 34 years, the urbanization rate has increased tremendously. Rural–urban migration trends have set in considerably due to the search for employment opportunities in the urban areas. This trend, among others, has led to serious housing problems in the country. (Udechukwu, 2008).

Owning a house has remained a daunting task for a majority of the populace in Lagos and to a large extent determines the age pattern of home ownership as well as the housing demand in the city. A situation where majority of the working class fall within the income bracket of low income to middle income earners More people settle for renting because it is the easier option and not because it is the better option. Studies have shown that the advantages of home ownership outweigh that of renting globally. Many people pay rents that are far higher than what they needed to pay on mortgage for a house that will never become theirs because of the terms of payment which is much cheaper than a capital outlay for an outright purchase. In addition, urban housing policies and the mortgage institutions are not well structured to create an enabling environment to access mortgage loans to facilitate home ownership. The mortgage market in Nigeria is unable to provide sustainable long-term loans to borrowers due to a lack of access to long-term funds. In a survey carried out by the Central Bank of Nigeria in 2012, financial institutions named this as the number one obstacle preventing growth of the mortgage market, ahead of foreclosure, housing supply, and the cost of title registration. Without access to long term funds, lenders are either unwilling or unable to further extend maturity mismatches on their balance sheets (although the regulatory framework allows them to do so), or to make the necessary investments in staff and systems to establish largescalemortgage lending operations.(World Bank, 2016). Most people cannot afford a mortgage because the term of years for payment is long (about 20 to 30 years) and they have less than 10years left in active service before they retire. As a result, Mortgage is now being tied to children who pledge to take up repayments if parents quit active service

It is worthy to note for the purpose of this study that In Nigeria, employment in the public sector is subject to a mandatory retirement age of 60 years or 35 years of service, whichever is first.

However, there are sector-specific exceptions as to the age of retirement. For instance, the compulsory retiring age of academic staff of a University is 65 years. Alternatively, a Professor may elect to retire at the age of 70 by giving written notice.

There is generally no fixed age for retirement in the private sector. However, some private organizations have prescribed a retirement age for their employees of between 55-65 years. (Templars,2018).

Considering the aforementioned, securing a well-paying job, renting an apartment and starting a family top the list of priorities of the average Nigerian graduate. At this age or stage owning a house may simply be a tall dream that may never come to fruition. Apparently, the duration it takes to achieve all these is

© 2020 Global Journals

usually prolonged and the individual is well spent on in years by the time he owns his first house perhaps.

In view of the above this paper seeks to decipher the age at which the average Nigerian residing in Lagos buys his first house, constraints in achieving this and the implications on access to home ownership in Nigeria.

II. Literature Review

This section explores the literature on the available studies on the age pattern of home ownership to give a better understanding of the subject matter and to identify the gap that exist.

To address the theme, relevant literature was reviewed in two broad categories; in developed and developing countries.

a) Age – Pattern of Home Ownership around the World. (Developed countries)

The age of first-time home ownership in the United states varies according to state and home ownership depends largely on the price of housing. For instance, in New York, a survey by Nancy Wu (2019) a Street Easy Publication, reveals that new Yorkers buy homes later in life than an average American and most often buy only once. Street Easy's survey results show that New Yorkers tend to delay their first home purchase. The typical first-time buyer in New York is 37 years old, compared to 34years nationwide. Houses in New York are three times more expensive than houses nationwide. However, in other states first time home owners age range is from 29-34 years old averagely. Ramirez (2000) via Ellie Mae millennial tracker shows that the average millennial; (people born within the period 1981-1996 or 1980 -2000; Also referred to as Generation Y)first homebuyer is just over 29 years old in America. Despite the increase in mortgage rates up from 3.7% to 4.2%. She also found that there is a growing demand among this generation who would rather buy homes in the suburbs and avoid the metro city.

Goodman and Mayer (2018) found a correlation between home ownership rates and factors such as age, ethnicity, race, education, family status and income within a 30-year period from 1985 to 2015. Homeownership rates in a variety of countries peak for households in their 60s, suggesting that owning a home helps reduce financial risk in retirement.

In their survey carried out on Global home ownership rates from 1985 to 2015 Goodman and Mayer further found that in developed countries like United states, United Kingdom, Bulgaria and Ireland there was a significant increase in home ownership rates from 2000-2005 but declined during the period 2010 to 2015.BY ages 65 to 74, 80% of Americans own their own homes. At this age they would have paid off the mortgage. Similar to what obtains in other European countries and predominantly driven by an increase in income and wealth during their working years. However, the younger age group of 35-44 years made up a smaller percentage of home owners of about 56.4% in 2015.Their findings also revealed that a first-time buyer can be within the young age group of 15- 24 years in the states although they make up only about 10.8% of homeowners.

In the Uk however, according to English Housing survey of the UK Government (2018), White British first-time buyers were aged 31 years on average when they bought their first home in 2017 – this was younger than first-time buyers from all other ethnic groups combined (32 years).Recently this figure has increased from 31 to 33 years.

Yet another perspective sees that the age pattern of homeownership in UK varies according to Location. Although Davies (2016) states that Halifax the largest mortgage lender in Uk pegs the average age of first-time buyers at 30, the age could be as high as 34 in London and 27 in some parts of South wales. Depending largely on earnings, approved mortgages and flexibility of the mortgage system.

The annual English Housing Survey, published by the government, shows that 64% of the population owned their own home in 2017-18 but only about 38% of home owners were 25- 34yearolds. Down from 55% a decade earlier, in part owing to rising house prices. The survey shows that more young people rent houses and fewer are expected to buy as they pay more rents on their household income than would on a mortgage repayment.

Home ownership rates also differ according to race and ethnicity. African Americans and Latinos are less likely to own houses early in life than white Americans.

b) Age Pattern of Home ownership in neighboring Africa and Nigeria (Developing Countries)

In some parts of Africa, first time home buyers are quite older than their counterparts in developed countries. Largely affected by personal finance and a fluctuating economy coupled with an unfavorable mortgage system. Often times parents have to step- in to assist their children to make their first purchase and vice versa; children have to continue their parent's mortgage repayments when they retire from active service earlier than the mortgage duration of about 20 to 30 years. This automatically transfers a form of home ownership or inheritance to the children.

In Kenya however, once a citizen attains the age of 18, he is eligible to contribute to a housing fund which can be assessed no sooner than 15years at maturity or at retirement age. Monthly contributions could be by

© 2020 Global Journals

mandatory, voluntary or joint contributors. (Boma Yangu, 2019) Based on this inferentially, a contributor who starts at age 18 would be 33 years old when he can assess his funds at maturity and perhaps be allocated a home.

An enabling environment of urban housing policies, accessible mortgage finance and institutional infrastructure will facilitate home ownership as well as determine the age of home ownership. Many developing countries are faced with the challenges of urbanization and rapid urban growth. Inability to tackle housing shortage and affordable housing appears to be a myth rather than a reality.

Recent studies show that a solid mortgage system inclusive of both the primary and secondary market will go a long way in ensuring affordable housing (Nubi, 2006). This strategy invariable yielded obvious results in Egypt, according to world Bank report(2013),faced with the challenge of rural urban migration and natural population increase the Egyptian Government resorted to the construction of 19 new towns and satellite cities, comprising more than 230,000 housing units, but this imposed a heavy burden on the budget, while many of the new urban communities remained sparsely populated. These efforts proved unsustainable and not reaching the targeted low- and middle-income groups. Coupled with an undeveloped housing finance system. The solution was the establishment of the Egyptian mortgage refinance company (EMRC) to mitigate against business and lending risks of the primary lending institutions. In support of the World bank this strategy helped tremendously to develop the emerging mortgage market in Egypt. The project allowed banks and mortgage companies to have access to longer term funding through EMRC, which was established and operational. Access to funding contributed to growth in the volume of the mortgage loan portfolio and helped in improving access and costs of housing finance in Egypt, producing a more inclusive system. Consequently, home ownership rate increased in Egypt although there was no reference to the age pattern of ownership or whether younger people were encouraged to buy their first homes.

In Nigeria, the situation of urban housing challenges and limitations to home ownership due to poor governance and underdeveloped mortgage system is quite similar to what obtained in Egypt prior to the intervention of the world bank. Property investment is capital intensive and only a few wealthy individuals can acquire property by personal funds. Housing development finance is a major problem of low- and middle-income earners. Housing finance to this group of people has often been fingered as one of the most formidable constraints in the housing sector in Nigeria. (Sanusi 2003). In order to stem this challenge, the Government introduced the national Housing fund (NHF) via the National housing Policy (NHP). Which is a compulsory deduction of 2.5% from workers (public servants and employees in the private sector) monthly earnings. The Federal Mortgage bank of Nigeria became the regulatory body through which the fund can be accessed by the Primary Mortgage Institutions (PMIs) and in turn disburse to the contributors in the form of housing finance loan. However, the fund has not been proven to be effective. Nubor (2017) found out that difficult requirements laid down by the PMIs to grant housing loans have prevented the low- and medium-income earners from having access to the National Housing Fund through the PMIs. Such requirements for title deeds/documentation for applicants and high interest loans has hindered the property developers.

Omirin (1998) argued that lack of finance and ever-increasing interest rate has taken precedence over land accessibility as a hindrance to home ownership. Other researchers fingered the bureaucratic processes of land titling and documentation as the major problems. (Onibokun 1985). Notably, an aspiring home owner in Nigeria faced with all these bottle necks in buying a house can only afford to own property when he has access to funds either personal or formal funding and at this stage he is either a well paid employee with job security or an entrepreneur of sorts with a thriving business (es) and a solid capital base. Expectedly well over 40 years.

c) *Entry -Level Age Requirements for Employment in Nigeria*

The age requirement by employers both government and non- governmental organization is between 20 to 28 years. Although the Nigerian Constitution Section 42 (2) says no Nigerian shall be deprived of any opportunity based on circumstances of birth. Okom et al (2019) posits that age is a circumstance of birth and discrimination on the level of age has forced many applicants to go to court and have their ages falsely declared in order to qualify for jobs advertised. A crime punishable under the law. In a country where adequate jobs are few and far between and applicants can spend up to a decade searching. These means that a job prospect after graduating from a higher academic institution, for instance at the standard age of 21, *ceteris paribus* will be 31 years unemployed and in a dicey situation of not getting a job.

d) *Factors that motivate Home ownership in Nigeria*

Many scholars have identified various factors that motivate the average Nigerian worker or entrepreneur to buy a house.

i. *High rental values*

According to Adedapo et al, (2012) Increasing demand for residential and commercial properties has

led to an increase in rental values. Despite governments intervention through the enactment of the Rent Control and Recovery of Residential Premises (RCRRP) Edict (1997), In order to curb the rising rents. The situation has remained the same. Tenants spend about 6o percent of household income on rent. Much higher than the cost of a mortgage. Although the cost of a mortgage and administration in developing countries is high and not many can afford, the option of owning a house is a much-preferred one over renting.

ii. *A Conducive environment to raise a family*

Many people want to live in quiet and secure neighborhoods conducive to raise a family. The challenges of living in an urban area such as Urban overcrowding, slums high waste generation, crime rate and delinquency are among the issues that will motivate the choice of buying a house.

iii. *Independence and financial security*

Studies have shown that home ownership does not only benefit the individual but the macro society at large. According to M. Rohe et al (2001); evidence indicates that homeowners are more likely to be satisfied with their homes and neighborhoods; participate in voluntary and political activities, and stay in their homes. longer, contributing to neighborhood stability. Home ownership provide a means to financial independence and stability. A major factor that motivates a prospective home owner in Nigeria. Especially in a minimally growing economy.

iv. *Age factor*

Although not usually singled out as an independent factor that motivates home ownership, some scholars have discovered that age also plays a significant role in home ownership. Ogunnaike (2016), in his research found that age, income and savings play a significant role in determining home ownership.

With age comes experience and income stability of older households and a less likelihood of loss of income. Thus, older households are more likely to commit to home ownership than younger ones (Hood, 1999).

Other factors such as Marital status, presence of children in the household, level of education, gender and parental home ownership have all been found to significantly impact homeownership in Nigeria.

e) Age, Income and Demand for Mortgage

Several studies have discussed the pattern of home homeownership but not many emphasized the effects of age, and income on demand for mortgage. For instance, (Makiw and Weil, 1989) believe that people's housing demand through the life cycle presents a “hump” tendency. Housing demand is quite low before the age of 20 and then increases rapidly, reaching its peak between 20 and 30 years of age; finally, it begins to decline after the age of 40. In other words, there is a high demand for housing at middle twenties and diminishes at age 40. Notably in developed countries where there is an efficient mortgage system.

(Ogunnaike ,2016), found that the positive determinants of homeownership in Lagos metropolis are age, income and savings. While home ownership is affected negatively by household size and weak housing policies. More people start to think of home ownership when they reach a particular age and with substantial income. Then owning a home is next on the agenda of success. He further posits that contrary to the belief that lack of housing mortgage is the major constraint to home ownership in Lagos, and documentations are more crucial to middle-income homeownership than mortgages in Lagos Metropolis.

Buying a house does not come cheap and entails Large sums of capital. Saving up to accomplish this may take up to 20 years. In Nigeria, where the majority of the citizenry are of the middle-class socio-economic standing, purchasing a home fully funded by private capital might be a herculean task and will probably take many years of savings to accomplish. A mortgage however, reverses that system. Instead of saving for about 20 years to finally be able to afford a home, a mortgage can help you purchase the home, and then pay gradually over a period of that same 20 years. Instead of saving up for twenty years, a prospective home buyer will reasonably apply for a mortgage loan when he is gainfully employed and can access a mortgage facility.

Recently the Nigerian Government established a minimum wage bench mark of ₦30,000 monthly salary. Dollar equivalent is approximately $83.With Mortgage interest rates at 7-10% for the NHF and 15-25% for commercial mortgage institutions, coupled with an equity contribution that ranges between 30 to 40 % of the total cost of the home and relatively high capital values of houses. How affordable is a mortgage after all? Especially for entry level or junior staff of age range 20 -28 years. Private sector entry level employees who earn well above the minimum wage also might not be able to boast of being able to afford a mortgage It is safe to say therefore that considering the constraints to homeownership in Nigeria only a small percentage of the population will demand for a mortgage.

This paper seeks to determine the age at which the average Nigerian decides to buy his/her first house despite all the challenges, constraints or bottlenecks limiting this decision.

III. Methodology

a) Population and Sampling

Using the descriptive survey design, the population for this study comprised of 17 mortgage

© 2020 Global Journals

firms in Lagos State, Nigeria. Since the population is not much, the whole of it was adopted for the purpose of sampling in this study. Hence, 3 employees who handle mortgage application in each of the firms were selected at random for this study, which makes the total sample size to be 51 participants.

IV. Data Analysis

a) Presentation of Respondents' Demographic Data

This section presents the respondents personal data using frequency counts as shown below.

Table 1: Percentage Distribution of the Sampled Respondents' Gender

Variable	Option	N	%
Gender	Male	23	45.1
	Female	28	54.9
	Total	51	100.0
Age	Less than 35 years	16	31.4
	36-50 years	27	52.9
	above 50 years	8	15.7
	Total	51	100.0
Current Level	Entry level staff	10	19.6
	Mid-level staff	23	45.1
	Supervisor	7	13.7
	Manager	11	21.6
	Total	51	100.0
Level of Education	BSc/HND	40	78.4
	Masters/PGD	11	21.6
	Total	51	100.0

Source: Field Survey 2019

Table 1 shows the percentage distribution of the respondents' demographic data. Concerning their gender the table shows that most (54.9%) of the respondents were female, while the remaining 45.1% of them were male. Concerning their age brackets, the table shows that most (52.9%) of them were less than 35 years, 31.4% of them were 35-50 years, while the remaining 15.7% of them were above 50 years. 19.6% of them were entry level staff, 45.1% of them were mid-level staff, 13.7% of them were supervisors, while the remaining 21.6% of them were managers. The majority (78.4%) of them were B.Sc./HND degree holders, while the remaining 21.6% of them were M.Sc./ PGD holders.

b) The Firms' Mortgage Application

This section presents some details about the firms' mortgage applications using frequency counts as shown below.

Table 2: Some Details about Firms' Mortgage Application

Variable	Option	N	%
Does your mortgage bank process home ownership mortgage scheme	Yes	51	100.0
	Total	51	100.0
What is the range of application received every month	10-20	14	27.5
	21-30	33	64.7
	31-40	4	7.8
	Total	51	100.0
What is the minimum expected annual income of applicants	₦750,000-₦1,000,000	7	13.7
	₦1,000,001-₦1,500,000	9	17.6
	₦1,500,001 and above	35	68.6
	Total	51	100.0
How long does it take to process a mortgage application	1 week- 1 month	26	51.0
	1-3 months	21	41.2
	3-6 months	4	7.8
	Total	51	100.0

Source: Field Survey 2019

Table 2 shows some details about the firms' mortgage applications. The table shows that all (100.0%) of the firms' mortgage bank process home ownership mortgage scheme. Concerning the range of application received every month, 27.5% of the firms received 10-20 applications, most (64.7%) received 21-30 applications, while the remaining 7.8% of them received 31-40 applications. Concerning the minimum

© 2020 Global Journals

expected annual income of applicants, most (68.6%) of the firms had ₦1,500,001 above as their minimum expected annual income of applicants, 17.6% of them had ₦1,000,001-₦1,500,000, while the remaining 13.7% of them had ₦750,000-₦1,000,000. Concerning how long it takes to process a mortgage application, it takes most (51.0%) of the firms 1 week – 1 month, it takes 41.2% of them 1-3 months, while it takes 7.8% of them 3-6 months.

V. Age Pattern Among Mortgage Applicants

This section shows the age pattern of mortgage applicants using frequency counts as shown below.

Table 3: Age Pattern

Variable	Option	N	%
What is the maximum age for applicants of a home ownership mortgage	51-55 years	11	21.6
	56-60 year	33	64.7
	above 60 years	7	13.7
	Total	51	100.0
What is the lowest age of applicant received	Below 30years	4	7.8
	30-35 years	11	21.6
	35years and above	18	70.6
	Total	51	100.0
Does age determine the success of a mortgage application	Yes	33	64.7
	No	18	35.3
	Total	51	100.0

Source: Field Survey 2019

Table 3 shows the age pattern of mortgage applicants. Concerning the maximum age for applicants of a home ownership mortgage most (64.7%) of the firms received 56-60 years old, 21.6% of them received 51-55 years, while the remaining 13.7% of them received above 60 years. Concerning the lowest age of applicant received, 7.8% of the firms received applicants below 30years old, 21.6% of them received 30-35 years, while the majority (70.6%) of them received 35 years and above. And on whether age determines the success of a mortgage applicants or not, the majority (64.7%) of the firms agreed that age determines the success of mortgage applicants, while the remaining 35.3% of them disagreed.

Factors that determine the success of Mortgage Application

This section shows the factors that determine the success of mortgage application using frequency counts as shown below.

Table 4: Mortgage Success Factors

Variable	Option	N	%
Age	yes	38	74.5
	no	13	25.5
	Total	51	100.0
Certified Title deeds	Yes	51	100.0
	Total	51	100.0
Income	yes	51	100.0
	Total	51	100.0
Employment status	yes	51	100.0
	Total	51	100.0
Family size	Yes	1	2.0
	no	50	98.0
	Total	51	100.0

Table 4 shows that 74.5% of the respondents agreed that age is a success factor, while the remaining 25.5% of them disagreed. All (100.0) of them agreed that certified title deeds, applicants' income, and employment status are success factors in mortgage application. And on the final note, only 2.0% of the respondents agreed that family size is a success factor, while the majority (98.0%) of them disagreed with it. This implies that the critical success factors of mortgage application are certified title of deeds, applicants' income, employment status, and age.

Other Issues on Mortgage Application and Home Ownership Rate

This section shows some other issues with mortgage application using frequency counts as shown below.

© 2020 Global Journals

Table 5: Other Issues

Variable	Option	N	%
How would you rate the application for mortgage in the current year	low	13	25.5
	average	23	45.1
	moderately high	15	29.4
	Total	51	100.0
Can an entry level staff with less than 1- year paid experience application for mortgage be approved	yes	47	92.2
	no	4	7.8
	Total	51	100.0
Can the application of anyone working in the informal sector be approved	yes	44	86.3
	no	7	13.7
	Total	51	100.0

Source: Field Survey 2019

Table 5 shows that 25.5% of the respondents rated the application for mortgage in the current year as low, 45.1% of them rated it as average, while the remaining 29.4% of them rated it as moderately high. On whether an entry level staff with less than 1- year paid experience application for mortgage can be approved or not, the majority (92.2%) of them opined that it can be approved, while the remaining 7.8% of them opined otherwise. Concerning whether the application of anyone working in the informal sector can be approved or not, the majority (86.3%) of the respondents opined that it can be approved, while the remaining 13.7% of them opined otherwise. This implies that mortgage application's approval is not affected by work experience and sector of the applicant.

VI. Discussion of Findings

The findings of this study show that the maximum age of mortgage applicants was 56-60 years old and the minimum was 35 years.

The findings also revealed that the critical success factors of mortgage application are certified title of deeds, applicants' income, employment status, and age.

The findings also showed that the application for mortgage in the current yearis on the average, ranked as moderately high, average or low. Also, that mortgage applications approval is not affected by work experience and sector of the applicant.

VII. Conclusion

In conclusion, based on the findings presented above, the age pattern of home ownership in Lagos, is 35 years and above.35 being the average and youngest age at which people start the process of ownership. Outright purchase of a house is expensive and not many young adults can afford to purchase a house without a mortgage loan. This is not to say that people who are younger than 35 years do not buy houses in Lagos, but they are few and far between. The implication of this on home ownership rate shows that for a mortgage that spans a duration of 30 years, a beneficiary will be 65 years when he eventually pays off his mortgage. At retirement age of 60 years or 35 years of service, the beneficiary will most likely be retired before he can pay off his mortgage and own his first house. Thereby requiring to transfer the mortgage to his next of kin.

This significantly implies that homeownership rate in Lagos is low among the younger age groups of 21-25,26-30,31-35,36-40,41-45, but higher among the older age groups of 65 and above. Especially for those who obtain a mortgage loan.

Also based on the findings above, Certified title deeds, applicant's income status, employment status and age are the basic requirements for a mortgage loan in Lagos -Nigeria. regardless of the work experience and the nature of the applicant's job.

References Références Referencias

1. Central, Bank, of, Nigeria. (2012). *Deposits and Lending Rates in The Banking Industry .* LAGOS: CBN.
2. Goodman, M. (Winte r2018). Home Ownership and the American Dream. *Journal of Economic Perspective, 32*(No 1), 31-52.
3. Gov. Uk. (2019). *English Housing Survey 2017-2018: Home ownership.* Ministry of Housing,Communities & Local Government.
4. Hood, J. (1999). The Determinants of Home Ownership: An application Of Human capital Investment Theory to The Home Ownership Decision. 71. Honours Project.
5. Human development Report. (2016). *Sustainable Development Goals.* UNDP.
6. Ministry of Housing Communities and Local Governments. (2019). *Housing.* London.
7. Nubi, O. (2016). Demistifying The Affordable Housing Debacle In A transiting Economy. Lagos, Lagos, Nigeria.
8. Nubor. (2017). Challenges of Housing finance and it"s Implications on Home Ownership by the Low and Medium Income earners in Nigeria (Case Study Port Harcourt). *Journal of environmental Science,Toxicology and food Technology, 2* (6), 80-87.

© 2020 Global Journals

9. Ogunnaike. (2016). Enhancing Homeownership Opportunities Among Middle-income Earners in Nigeria: A Case Study of Lagos Metropolis.
10. Oladokun, et, & al. (2012). Effects of Home Ownership on Good Governance In Nigeria. *Academia.edu*, 92-109.
11. Omirin, M. M., & Nubi, T. G. (2011). Problems of Primary Mortgage in Nigeria. *Journal of Finance, 4*(2), 8-16.
12. Oxford dictionary. (2019). *oxford.* England: Oxford.
13. Oxford dictionary. (2019). *Oxford English Dictionary.* Oxford dictionaries.
14. Pescow, R. (2016). *The Right Age to buy a house.* Retrieved from Firtsbank.
15. Ramirez, K. (2016). *Ellie Mae launches mortgage app tracking Millennials*. Retrieved from Housingwire.com.
16. Realtors, N. A. (2012). Chicago: National Association of realtors.
17. Rohe et, a. (2001, October). The Social Benefits and cost of Home ownership: A critical Assesment of the Research. *Low income Home Ownership Working Paper Series*.
18. Templars. (2018). *Employers Beware:labour Outsourcing & Contract Staffing Faces An Uncertain Future In Nigeria.* Lagos: Templars.
19. Udechukwu, C. (2008). Obstacles to Individual Home ownership In Nigeria. *Internation Journal of Housing Markets and Analysis, 1*(2), 182-184.
20. Watkins. (2006). *Human Development Report.* New York: United nations Development Program.
21. World Bank. (2015-2016). *Global finance Development:Long term finance.* World: The world.
22. Wu, N. (2019). *The most Affordable Neighbourhoods for First-Time Buyers.* New York: StreetEasy.

© 2020 Global Journals