

Addis Ababa University
School of Graduate Studies
Department of Sociology

Public Housing Provision: The Current Housing Condition of Condominium
Applicants in Gullele Sub City, Addis Ababa, Ethiopia

November, 2016

Addis Ababa

**Public Housing Provision: The Current Housing Condition of Condominium
Applicants in Gullele Sub City, Addis Ababa, Ethiopia**

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**A Thesis submitted to the School of Graduate Studies of Addis Ababa
University inPartial fulfillment of the requirements for the Degree of Master
of Arts in Sociology**

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Acknowledgment

First, I would like to express my heartfelt thanks and appreciations to my advisor WoldeabTeshome(PhD) for his unreserved, guidance and encouragement to undertake this research and devoted their time in correcting, guiding, and shaping both my proposal and final paper and I also want to express my gratitude to all my instructors.

Secondly, my special thanks and deepest gratitude goes to my wife DirsanNegrew for unreserved love and moral support that she rendered to me during the whole years of my stay in the university.

I also would like to thank my beloved brothers and sister, my parents and all of my friends who helped me in financial, thought and moral support in the course of conducting this thesis. All other who rendered any assistance in one way or the other but whose name could not be listed here deserves very much thanks.

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List of Abbreviations

AAHCDB- Addis Ababa Housing Construction and development bureau

UN- United Nation

FDRE- Federal Democratic Republic of Ethiopia

MoFED- Ministry of Faineance and Economic Development

MUDHC- Ministry of Urban Development and Housing Construction

IHDP- Integrated Housing Development Program

IHC- International Housing Coalition

MWUD- Ministry of Work and Urban Development

Abstract

One requirement of housing for human being is to provide shelter in order to provide shelter in order to shield from natural and social phenomena. The problem of housing is a worldwide problem and the problem of housing is more severe in less developing than developed countries. The study is to examine the extent and seriousness of the housing shortage and associated problems.

Extensive survey of theoretical and empirical literature was made to support the paper with applicable and worth full ideas. Primary data were also collected from the study area using survey, structured and semi structured interviews and by referring to documents and reports of the different governmental institutions. Quantitative techniques are used to analyze the data collected.

The study argues that the exacerbation of much of the existing housing problem lies in the failure of policy intervention to address the problem properly and sufficiently and marginalization concerned groups. Accordingly, it suggests the need for proper policy intervention and inclusive housing system and cooperation and partnership between major interest groups as available tool for future policy capable of taking the housing problem the study area.

Chapter One

Introduction

1.2 Background of the Study

Ethiopia is one of the developing countries, characterized by increasing intensity of urban growth and population growing at an alarming rate. Ethiopia's growing population and rapid rate of urbanization is placing substantial pressure on housing, especially amongst the lower income population. The challenges for lower income households to acquire their own home are twofold; lack of affordable, good quality housing stock and the difficulty of obtaining housing finance. Therefore, the process of urban growth in Ethiopia has come to be associated with tremendous socio-economic problems such as high value of unemployment, high incidence of poverty, poor sanitation, homelessness etc (Kebede, 2007).

Most of the houses in Ethiopia are below qualitative standard and lack adequate space. The extent of provision for water supply, electricity, and drainage is very minimal. The lives and health of people living in housing of such poor quality and with such inadequate provision for water, sanitation, and drainage are under continuous threat (Azeb, 2008). However, in the developing world in general and in least developed countries like Ethiopia in particular the number of people living in such conditions is increasing every year. Studies have shown that without major improvements in housing markets and in the expansion and improved provision of infrastructure and service, it is inevitable that the population living in such environmental expand very rapidly (Robert, 1997)

Accesses to housing and affordability to the poor is the major obstacle in the economic development of the Ethiopia. The existing housing stocks are slums that are characterized by poor standards, lack of basic sanitation, services, and infrastructure. According to Mekonen (2008), even in the capital city Addis Ababa, where 80% of the total housing stock is found, most of the housing units are old, dilapidated, and substandard, overcrowded and have no kitchen, toilet, and bathing facilities. Hence, they are not fit for healthy life.

The shortage of affordable standard housing problems in all towns in Ethiopia in generally and Addis Ababa in particular is one of the pressing matters that call for immediate action. As a result condominium housing projects currently undertaken in Addis Ababa that aimed to provide affordable and standard housing for the low and middle income group of the city.

This study has examined provision of public housing, the current condition of housing condition, how the existing housing conditions of public houses affect quality of life (social and health) of residents (condominium applicants) in public housing in study area. In connection with this, the study investigated the demand for adequate housing in the study area and government response to meet that demand.

1.3 Statement of the Problem

The right of everybody to decent housing has already been recognized in 1948 in the Universal Declaration of Human Rights (UN, 1948). The declaration stated in its article 25 the housing right as follows: “everyone has the right to standard of living adequate for health and well being for himself and his family including food, clothing, housing and medical care and necessary

social services, and the right to security in the event of unemployment, sickness, disability and widowhood, old age or other lack of livelihood in circumstances beyond his control.

According to UNHRP (2003), housing is also a welfare issue by the fact that human beings have the right to be sheltered in. Even in advanced industrial societies, there is always some section of the society who needs public assistance for their housing. Housing problems such as homelessness and overcrowding arise from the fundamental failure of the market mechanism to satisfy basic needs of shelter among the poorer sections of the society. This leads to more active involvement of the public sector to fill the gap left by the market system. Thus, housing is often perceived as a welfare issue requiring the transfer of resources to households unable to house themselves adequately.

According to Abuye (2008), the rising urban population especially low-income groups on one hand and, the sky rocketing life cost, high cost of construction materials and the like on the other hand has created a sizable gap between housing demand and supply in urban centers. The magnitude of this gap is reflected in many slum settlements, homelessness, over-crowded housing units and obsolescent units requiring replacement. Housing in Ethiopia's urban centers is grossly deficient both in quality and quantity, so that the problem has now turned to be one of the pressing issues, which needs immediate attention.

Addis Ababa, the capital city of Ethiopia has faced very rapid population growth due to immigration and natural growth. So it increases the pressure on housing demand. However, the housing development pace is not so fast to contain this huge number of population. Because of

this, there is severe housing shortage in the city of Addis Ababa. Most of the residents of Addis Ababa have low and irregular income. So the available houses both from the government and the private real estate developers are not affordable to the low income group of the population. Because of this a large number of households are forced to live in private rental houses and kebele houses (Wondwesen, 2013).

As noted by Wondimu (2011), about the urban housing situation in Ethiopia, there is a wide gap between housing demand and actual supply in all urban centers of the country. There has been a chronic shortage of housing because of accumulated demand over time, which indicated by significance of overcrowding and increased number of homeless people. The study done by the Tsion (2013) also showed clearly the gap between housing demand and actual supply as noted by Tadese (2000) in his study.

Although the concerned bodies of governments are giving prior attention to solve these problems, much more is left to be done as the population of the city is increasing in much more rate than the number of new residential buildings being constructed. As a result, the study situation of selected condominium applicants at the Gullele sub-city helps to assess the extent and nature of housing problems, its health and social impact and government effort to solve the problem. At the same time to recommend some possible solutions in order to alleviate the exited problem.

1.3 Objective of the Study

1.3.1 General Objective

The general objective of this study is to examine the existing housing condition of condominium applicants and their demand for affordable houses.

1.3.2 Specific Objectives

- To assess the existing housing conditions of respondents and the strategies adopted by them to cope up with their housing problem in the study area.
- To identify the social and health impact of their existing housing condition of the respondents.
- To know the perception of respondents about the condominium housing regulations (specifically the financial procedures) and its accessibility.
- To assess government efforts to solve the housing problem and initiation to explore every options.

1.4 Significance of the Study

In Addis Ababa, majority of the existing houses are inadequate, and are not suitable for proper living condition. Therefore, governments must undertake measures to provide housing assistance targeted specifically to low and middle income peoples who cannot afford market-housing. This might be accomplished by insuring an adequate supply of social or public housings designated specifically for poor peoples. As the result, appropriate policies, strategies and programs are needed to ensure housing supply and affordability. This study could provide more information to Addis Ababa administrators and Gullele sub-city that would facilitate the formulation of

operational plans and strategies based on the existing realities in order to facilitate affordable housing to meet the needs of the majority low and middle income people. The study could also create awareness among housing supply agents especially for local governments and public housing agencies about existing housing condition and impact on people. The study would show the housing condition of condominium applicants and the challenge they faced to get condominium.

1.5 Scope of the Study

Studying each and every aspects of urban housing in relation to socio-economic aspect of urban population is quite complex, which is time taking and tiresome to study. Therefore, the broad problem to be investigated in this study was concerned with urban housing condition, demand for affordable houses and challenges to get better house in particular reference to condominium housing applicants in Gullele Sub-city, Addis Ababa. Condominium applicant's registration was conducted at sub-city level and there. More or less the number of applicants throughout these 10 sub-cities is the same. Therefore the researcher choose Gullele sub city to be geographically specific.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical and Conceptual Framework

The researcher developed a theoretical and conceptual framework to identify the network of relationship between housing provision, housing affordability, Social and health impacts because of bad housing condition, household, and government. This theoretical framework has derived and situated for this study from a theoretical model for housing provision system and affordability which is developed by Mustafa, Francis, Wong and Hui in 1998.

This section develops a theoretical framework for housing provision towards housing affordability in the context of Addis Ababa and to provide recommendations on the method and mechanisms for the provision of affordable public housing. This framework tries to establish that housing is not only a commodity rather it's a home, where we can exercise our rights and link ourselves to the community, and the community to the region in which it grows and progresses. The following figure shows the relations within the different components of the proposed framework. The main components of the framework are housing affordability, housing provision, impacts, household and government.

Here the core concept of housing in the framework is analytically broken into five parts following the concept of; i.e. government, household, housing quality, affordability and Impacts. The figure develops a linkage between those components. The housing affordability is not only related to household but also have relation with housing quality and its impacts in different

aspects. In the basic framework of the proposed model, in terms of affordability it shows the connection between household and housing quality is related to household income and housing price or rent. The housing quality and its impacts are related. The whole process is closely associated to determine household affordability.

According to Kamete (2001) cited in Habte, 2010, there are external and internal factors that affect housing affordability. The external factors revolve around the cost of the housing. This is the sum of land acquisition, infrastructure, both on and off site, planning, designing, administration and community facilities, interest rates, amortization periods and subsidies. The internal factors that affect affordability have to do mainly with the socio economic circumstances of the target group.

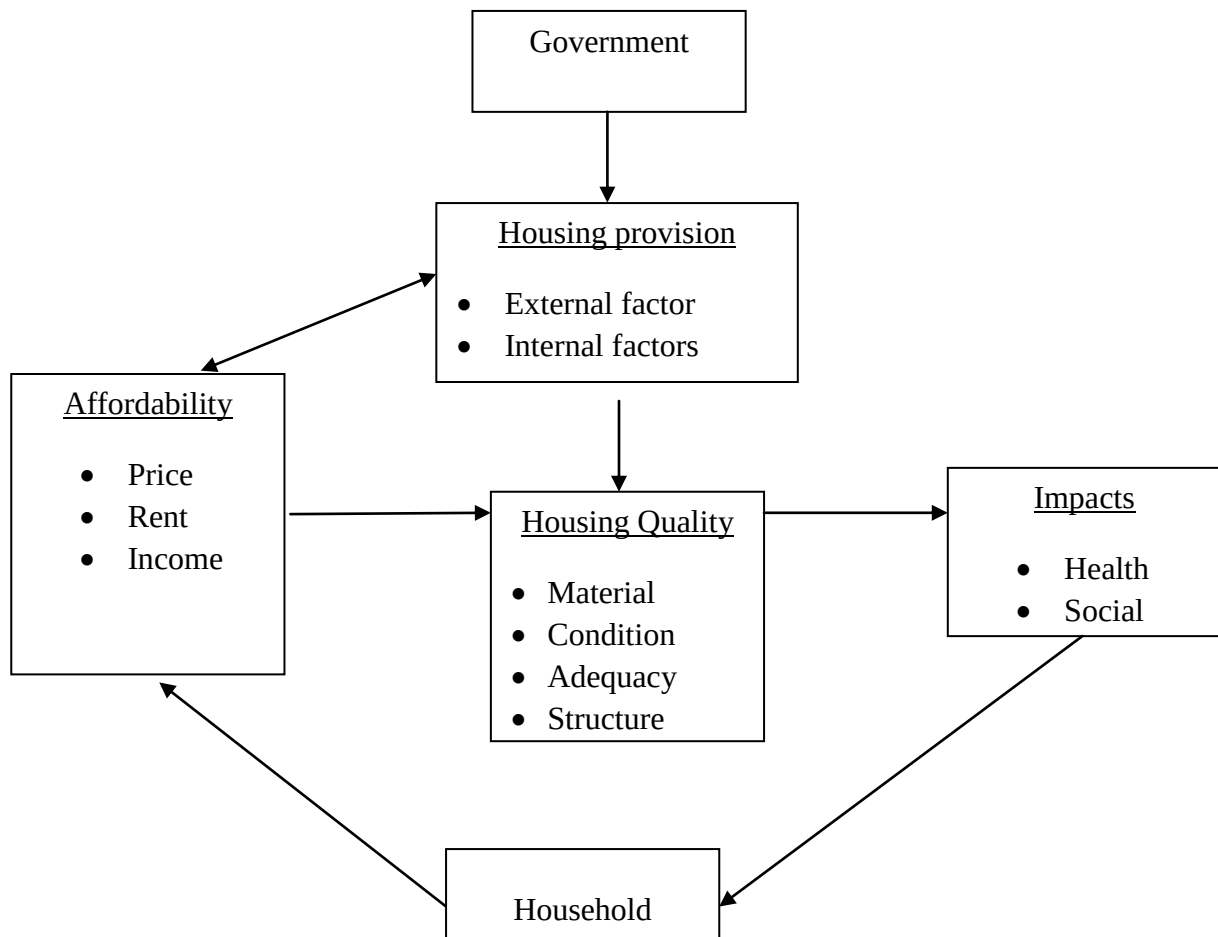
The real challenge therefore is how to ensure adequate supply and access to these housing inputs within a framework that guarantees the supply of decent housing at costs affordable to all households. If prices in the housing market increases faster than incomes, more low income households will be in need of affordable housing. Conversely, if income increases faster than the cost of housing, fewer households will be in need. Although this ratio is straight forwarded, it is affected by a Variety of other underlying supply and demand factors like land and labor cost, housing market, interest rate, population increase, an increase of income and the like.

Housing is a physical shelter fixed in a place and intended for human habitation including all services desired for the physical health and social well-being of the family and the individual.

Affordable housing is a housing which adequately suits the needs of low and middle income households at costs below those generally found in the existing market.

The framework will help the study and the researcher to analyze the provision of public housing and its affordability, the condition of already existed public houses and their impacts on tenants. And will help to know and determine the mechanism and method of government to supply affordable housing under the prevailing system.

Conceptual Model for the Supply of Affordable Public Housing



Source (Mustafa, Francis, Wong, and Hui, 1998)

2.2 Related Concepts

Conceptual definitions of terms that will be utilized in this study listed below and included:

Housing: There is no general definition for the concept of housing. Therefore, its meaning also varies among scholars depending up on their culture and socio-economic condition. Thus, for this research housing could be taken as a living environment consisting of the dwelling units; the infrastructure associated with the dwelling units' such h as roads, water supply system, sewage system, electricity etc (IHC, 2007)

Housing unit: a separate and independent place of abode either intended for habitation or not intended for habitation but is occupied as living quarter by a household (Habte, 2010).

Housing tenure: the proportion of households who as legally recognized owners or renters have protection against sudden or arbitrary eviction (UN HABITAT, 1996).

Household: a group of persons who often live in the same housing unit or in connected premises and have a common arrangements for cooking and eating food. A household consists of a husband, his wife, their children, relatives and some other persons residing together in the household (Habte, 2010).

Housing affordability:is the willingness and ability of households to pay to consume housing services, which depends on the housing price, household income, and the terms and availability of mortgage finance (Azeb, 2008).

Housing supply: is the flow of houses into the market either that offered for sale or rent at any one time with changing prices. It is mainly depends on the number of new housing units constructed by the concerned bodies (IHC, 2007).

Condominium housing: are a housing complex containing units owned by individuals and common areas owned jointly by all the unit owners (Habte, 2010).

Housing accessibility: the proportion of people able to buy, rent or in other ways obtain adequate quality housing of special interest. In this is whether those with low incomes or those unable to earn an income (for instance the elderly) are able to find adequate shelter (UN-HABITAT, 1996).

Homelessness: The homeless are those who cannot afford shelter by themselves. With no access to housing they sleep outside or in public spaces (Habte, 2010).

Public housing: is housing supplied by government sponsored programs at all levels of society from the local to the national by using public funds which can support the construction and or subsidy of rental housing based on economic need (Budd and Gottdiener 2005; as cited in Kidist,2014).

Head of households:A head of a household is a person who economically supports or manages the household or for reasons of age or respect, is considered as head by members of the household or declares himself as head of a household. Head of a household could be male or female (CSA, 2007).

Slum: is an area that combines to poor structural and overcrowding houses, inadequate access to safe water and sanitation and insecure residential status (UN Habitat,2010a)

2.2.1. Housing: Concept and Definition

Housing is the basic and indispensable human need which determines health living conditions. It encompasses and determines developmental, psychological, health, social and economic aspects of human life (Habte, 2010). Moreover, there is a clear correlation between housing quality and development status of a country. Decent housing is a pre condition for productive and stable society. Auxiliary services and community facilities, social amenities, and services, and residential accessibility are from an integral part of the housing concept. Even though, housing is

the basic human need, it is difficult to give an all embracing concept to define housing. The problem of defining Housing, difficult enough when a single country or the economically advanced areas as a group or considered, is compounded in an international context that includes poor as well as rich nations, world regions sharply differing in climate and societies with highly diverse cultures (Habte,2010)

For this reason, different scholars give different definition of housing. Accordingly, Linn (1983:130 as cited in Ethiopia,2011) defined housing as the shelter structure, the lot on which shelter stands, and the services provided to the lot such as water and energy supply, waste disposal, drainage, and fire and police protection. On the other hand, Mile, (1998:5) defined housing as an important productive asset that can cushion households against sever poverty, and land market regulation that can either create opportunities to diversity its use or for close them. Moreover (kidist, 2014) define housing as one of the basic human needs along with food and clothing. As a result, mankind has been developing different kinds of shelter with the changing civilization and time.

Further,(IHC,2007) stated that, housing is more than physical shelter and the residential environment consists of not only the dwelling units, but also the site and setting, neighbor and community, municipality and public services habitability and accessibility, rights and responsibilities, costs and benefits. Yet housing is even more than the residential environment, for it is only in relation to those who inhabit and use it that housing has meaning and significance not only physical and economic, but also emotional, symbolic and expensive. In general, as we understood from the above definitions, some argue that housing is a shelter that gives protection

against the hostile physical environment; the others said that housing is the sign of prestige; some other groups also argue that housing comprises a number of facilities, services and utilities which link the individual and his family to the community and community to the region in which it grows and progress.

Housing is consumption as well as investment. The set of housing services consumed is surely different in the rich compared to the poor countries. As it is stated by (Habte, 2010), shelter accounts for a large component of the total bundle of services in the poor countries while luxury elements, and the utility and prestige they carry, are more important parts of housing in the rich nations. Consequently, the good itself like many consumption goods, is heterogeneous, yielding different mixes of services which vary with level of development. Even though, housing is considered as a basic good for both developed and developing countries, a large proportion of town dwellers in all developing countries cannot afford housing at the standards considered desirable and required by law in western industrial countries (IHC, 2007). As a result, many cannot afford to make any regular contribution to value when it comes to spending their money. Even the cost of bringing housing for ever expanding urban populations to a modern standard by means of subsidies is beyond the capacity of governments to meet especially in developing countries. In broad terms, housing affordability problems exist when housing costs (whether for rent or home purchase) absorb too great proportion of household income (Yates and Milligan, 2007:9; as cited in Samuel, 2014).

2.3 The Right to the City

The right to the city is not a new proposal. The term was first articulated in 1968 by French philosopher Henri Lefebvre in his book “Le droit à la ville”. The book describes the negative

impact that the capitalist economy has on cities, converting the city into a commodity serving only the interests of capital accumulation. To counter this phenomenon, Lefebvre proposes that inhabitants demand control over the construction of urban spaces. Facing the effects caused by neoliberalism such as the privatization of urban space, the commercial use of the city, and the predominance of industries and commercial areas, a new political perspective was proposed known as *the right to the city*. The city, overtaken by the interests of capital, has ceased to belong to the people and thus Lefebvre advocates for the “rescue of man as the main protagonist of the city he has built.” Therefore, the right to the city focuses on restoring the city’s significance to its inhabitants, establishing the possibility of a high quality of life for all, and constructing the city as “the meeting point for collective living” (Mathivet,2010).

His right to the city is not a suggestion for reform, nor does it envision a fragmented, tactical, or piecemeal resistance. His idea is instead a call for a radical restructuring of social, political, and economic relations, both in the city and beyond .Key to this radical nature is that the right to the city reframes the arena of decision making in cities: it reorients decision-making away from the state and toward the production of urban space. Instead of democratic deliberation being limited to just state decisions, Lefebvre imagines it to apply to *all* decisions that contribute to the production of urban space (Purcell, 2002).

The contribution of traditional cities on culture, social development and wealth are underestimated by the commercialization and industrialization, consequently two basic rights, namely **Participation** and **appropriation** was necessary to protect the rights of the city dwellers. Lefebvre’s notion of participation enables citizens to participate in the use and production of

urban spaces, similarly appropriation enacted right of access and use of the available resources (Mitchell 2003 cited in Tesfa, 2014). Lefebvre's participation discourse enable inhabitants to involve in urban decisions but what types of responsibility should dwellers do is still vague and undetermined (Purcell, 2002).

According to Marcuse (2009 cited in Tesfa, 2014) the right to the city or Lefebvre's right consist both cry and demand. The demand is created when basic needs are not fulfilled for example, being homeless, hunger and even it could be involuntary in the case of hazardous work while the cry is manifested when the system includes superficially (share the material resource) but it hinders their future interest, motive and social relation and also their creative hopes are hanged. Fernandez (2007) argues the essentiality of urban law equally with political and social power taking the Brazil experience of urban law which had improved participation of citizens though it needs further effort.

As David Harvey (2009) argues, "the right to the city is not simply the right to what already exists in the city; it is also the right to transform the city into something radically different."

2.3.1 The Dimensions and Components of the Right to the City

The right to the city is:

- The right to habitat that facilitates a network of social relations
- The right to social cohesion and the collective construction of the city
- The right to live with dignity in the city
- The right to co-existence
- The right to influence and access the municipal government

- The right to equal rights

According to the World Charter for the Right to the City, this new right is a collective right of urban dwellers, especially of vulnerable and disadvantaged groups, that legitimizes their action and organization based on their habits and customs, with the aim of achieving the full realization of the right to self determination and an adequate standard of living (Cities for all, 2009).

The World Charter for the Right to the City bases its proposal on three fundamental axes (Mathivet, 2010).

1. The exercise of full citizenship, namely the realization of all human rights to ensure the collective well-being of inhabitants and the social production and management of their habitat.
2. The democratic management of the city through the direct participation of society in planning and governance, thus strengthening local governments and social organization.
3. The social function of the city and of urban property, with the collective good prevailing over individual property rights, involving a socially just and environmentally sustainable use of urban space.

According to Borja, (2003) the development and legitimization of civil rights depends on a threefold process:

- A cultural process of explaining the hegemonic values that underlie the basis of these rights;
- A social process of civil mobilization to legalize and create the mechanisms and procedures to guarantee and make effective these rights; and,
- A political-institutional process to formalize and consolidate these rights and to develop policies to implement them.

Borja also states that the main actors in this process are not the traditional political structures of the state and political parties; rather they are social movements. Thus, the right to the city is a strategic response, a paradigm against social exclusion and the spatial segregation generated by neoliberalism(or any corrupt social process). It is the people's demand to once again become masters of the city and it is the sphere for the construction of a collective life.

Based on the fact that there are now “cities without citizens,” the right to the city represents the struggle of invisible city dwellers that have been robbed of a space where they can develop and live with dignity. The right to the city constitutes a variety of human rights, making it more challenging to demand and implement this collection of rights. Realizing the right to the city is therefore a struggle that can be fought by social movements (Mathivet, 2010).

2.4 Current Status and Extent of the Problem of Housing

Thriving urban cities are able to absorb natural increase, new population from rural areas as well as other countries and to provide these new entrants with productive jobs and ways of contributing to the economy. This is achieved in parallel with allowing these new urbanities to gain access to basic necessities (food, housing, water supply), and facilities (transportation and technology) as well as opportunities of getting good education and health care (Jaycox, 1977).

At present, as a result of the rapid urbanization the number of megacities (metropolitan areas with a total population in excess of 10 million people) has been steadily rising from just three megacities (New York, Tokyo and Mexico City) in 1975 to twenty one in 2009 with most of the new megacities arising in developing countries. Consequently, Asia now has eleven megacities

followed by Latin America, which has four, and Africa, Europe and North America each have two. By 2025, it is expected that the number of megacities will reach twenty nine where again, a large portion of the population increase is expected to be in the developing parts of the world (United Nations, 2009; 2010).

The resulting increase in demand for houses will largely be unmet as most of these developing countries are hardly able to satisfy the backlog of accumulating housing shortage let alone rise up to meet the needs of the new entrants. In Africa for instance, the two megacities Lagos and Cairo are perfect examples.

The level of housing shortage in Lagos has risen to absolute extremes that the city is now facing tremendous congestion and housing shortage unable to accommodate the residing 10 million people. Just as several other countries like the Netherlands, Hong Kong, Japan and New Zealand have tried to tackle the problem of scarcity of land coupled with high population density by reclaiming land from sea, so has Lagos. In an effort to resolve the consequences of a rapid urbanization, a new city, Eko Atlantic City is being built on land reclaimed from the sea on the Atlantic Ocean, adjacent to Victoria Island. The city is being developed for mixed use of commercial and residential purposes and is expected to accommodate about 250,000 inhabitants and 150,000 daily commuters when completed on 2016. In the meantime, 70% of the country's urban population continues to be homeless and the residents' slum dwellers (Awofeso, 2010).

In the face of such increase in population, in a case where there is an elastic supply of housing which can be determined by factors like supply elasticity of developable land and labor, regional planning, government regulations and subsidy (Barker, 2004 and Muth, 1996), an increase in

demand for housing due to a population rise would have a fairly small effect on house prices as the continuous supply of housing would inhibit the prices from increasing higher than the construction costs. On the contrary, in a situation faced with inelastic supply of housing as in the case of most developing countries, the rise in demand for housing from an increasing population would lead to a significant rise in the price of houses as can be seen as point B on the graph. Consequently, a common burden faced by the rapidly urbanizing cities of the developing nations is that none of them are primed to keep pace with the infrastructural and housing demands alongside other necessities of new residents (Werna, 2001).

2.5 Rapid Urbanization and Housing Shortage in Ethiopia

Ethiopia is a country with favorable climate endowed with water and vast land resources combined with a high population growth meaning that the country also has a strong labour force. At the very least, these resources should be able to give the country what it needs to meet the subsistence needs of the people. Despite this however, Ethiopia is now recognized as the second poorest country in the world (UNDP, 2010; Oxford Poverty and Human Development Initiative, 2010) when evaluated in terms of the new international measure of poverty, Multidimensional Poverty Index (MPI) which employs the combination of the three dimensions health, education, and standard of living to assess the level of poverty in a country.

Considering the state of poverty in the country, this high urban growth will unequivocally lead to a substantial rise in the urban poor and agitate the already lacking efforts of the government to accommodate the needs of the rising urbanities. According to UN-HABITAT (2010b), at present, housing deficit in the country lies between 900,000 and 1,000,000 units with over 300,000 of those deficits in housing being in Addis Ababa. Furthermore, as stated by the Urban

Sector Millennium Development Goals Needs Assessment on December 2004, due to the high population growth and rapid formation of new households in the country, meeting the Millennium Development Goals (MDGs) in 2015 will require constructing a total of 2,250,831 accommodations or 225,000 housing units per year (MWUD, 2007).

In connection with the implication this rising population has on the shortage of housing in Ethiopia, Tesfaye (2007), states that the consequent rise in the number of households“ is yet another facet that best reflects and provides a measure of the level of demand for housing in the country. According to the 2007 National population and Housing Census , the number of housing units in Addis Ababa (approaching 629,000) was about 4% less than the number of households (around 655,000) creating shortage of housing for close to 26,000 households of the city (CSA, 2010b).

This figure represents the magnitude of cohabitation in the society and though no proof or evidence of it being a forced or voluntary cohabitation exists to date, Abeltiet *al.*, (2001) assert that most of these cohabitations are forced owing to the lack of housing units and inability of the households to finance and gain access to the housing market.

Housing provision as recognized by Drakakis-Smith (1980) and Van Vliet - (1990) and cited by Chen and Gao (1993), falls into three main categories. The first one is the industrialist model where housing is perceived as a commodity and its consumption largely depends as other products, on the supply and demand of the economy. The second is the socialist model that is founded on the ideology of an equal political and economic system in which the state is duty-

bound to provide consistent and subsidized housing opportunities to all urbanities. What is left is the Third World Model, its name coined after the countries that apply it most. This category avails the opportunity of housing only to the wealthy and parts of the middle class leaving out a huge chunk of the population with low income, inevitably leading to an accelerated growth in informal slums and squatter settlements.

In conformity of the Third World Model, which applies to Ethiopia, Bahir (2010), states that the on-going urban land lease policy of Ethiopia favors the rich in the country with its policy of market economy impeding any chance of the urban poor to afford and compete for accommodation ultimately paving the grounds for more slums.

The highest percentage of urban population living in slums is spotted in Sub-Saharan Africa with (figure 1) Ethiopia being residence to the world's record share of slum dwellers (Gilbert, 2007 and Davis M., 2006). A recent estimate shows that an alarming 70% of the urban population in Ethiopia live in slums (UN-HABITAT, 2008).

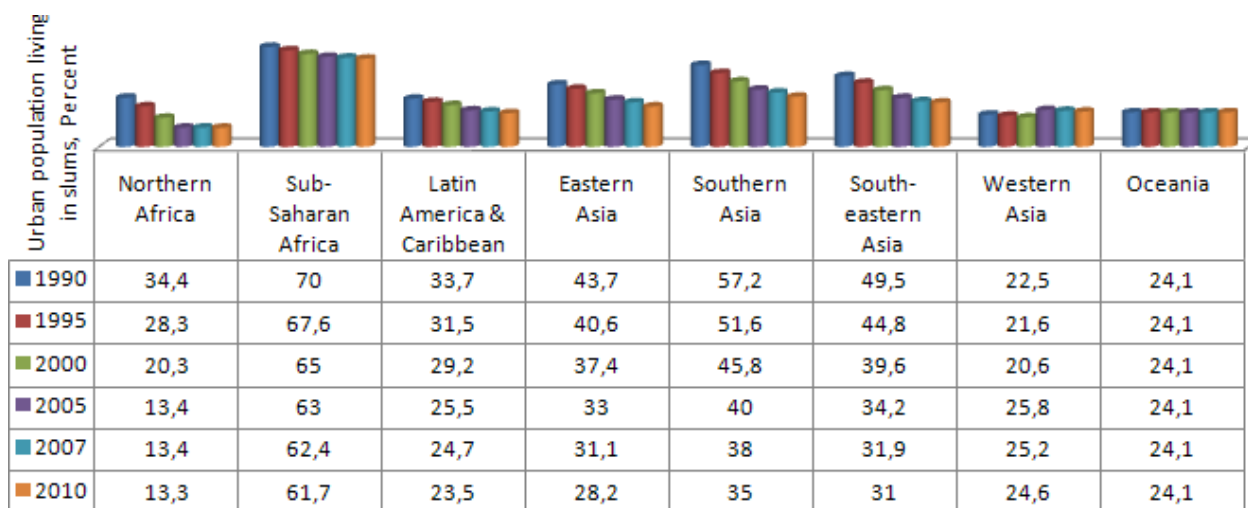


Figure 1: Proportion of urban population living in slums, 1990-2010

Source: Adapted from UN-HABITAT, 2010a

As seen in the cities of most developing countries and cited by Alemayehu (2008), the slums in Addis Ababa are of three kinds:-

- Shelters built in unoccupied lands without tenure rights and infrastructure on the outskirts of the city “Informal peripheral squatter settlements”.
- Shelters assembled from plastics, cardboard boxes and rags in the inner parts of the city adjacent big buildings, main roads, and public parks “Inner-city squatters”.
- Shelters that meet all the criteria of slums even though their residents have legitimate tenancy rights, “Non-planned old inner-city settlements”. These shelters are composed of *Kebele* (the smallest government administration units operating at the neighborhood level) houses and are in poor conditions mostly due to lack of maintenance.

The “Non-planned old inner-city settlements”, which have now become the slums of Addis Ababa, clearly portray the phenomenon of “Spiral of Decay” (Knox and McCarthy, 2005) which denotes how neighborhoods that are composed of substandard houses and occupied by legitimate low-income households are exposed to serious risks of converting into slums.

According to the slum definition of the UN-HABITAT, at present, over 80% of Addis Ababa is a slum of which 70% of the dwellings are situated in the central part of the city and are government owned *Kebele* houses (UN-HABITAT, 2010b). These slums are the pinnacle of worst living conditions typified by multiple shelter deprivations including poor physical conditions, inadequate basic facilities like safe water and sanitation, dreadful waste management systems, overcrowding and health risk (Asfaw, 2005). Studies by UNFPA (2007), show that slums in Ethiopia claim more lives of their residents with mortality rate in slums (180 per 1,000

live births) being almost double the mortality rate of the formal shelters (95 per 1,000 live births).

2.6 Inadequate Housing and Health.

For many years, the housing environment has been acknowledged as one of the main settings that affect human health. Living and housing conditions are the basis of many factors influencing residential health (Jackson, 2003). Indoor air quality, home safety, noise, humidity and mould growth, indoor temperatures, asbestos, lead, radon, volatile organic compounds (VOC), lack of hygiene and sanitation equipment, and crowding are some of the most relevant possible health threats to be found in dwellings. Physical, mental, and social health is affected by the living conditions, but no straightforward mechanisms have yet been established. Furthermore, the immediate housing environment and the neighbourhood represent an everyday-landscape, which can either support or limit the physical, mental, and social well-being of the residents. Although such impacts are broadly accepted, the concrete relationship between environmental quality and health/well-being has so far not been fully understood.

The quality of housing conditions plays a decisive role in the health status of the residents. Many health problems are either directly or indirectly related to the building itself, because of the construction materials that were used and the equipment installed, or the size or design of the individual dwellings. Representing the spatial point of reference for each individual, the home also has a broad influence on the psychosocial and mental well-being by providing the basis for place attachment and identity as well as a last refuge from daily life. However, especially, for this mental dimension of housing satisfaction and the meaning of home to the resident, not much

data on the relation between health and well-being, and subjective satisfaction, and housing perception are available.

What has been known for decades is that in the case of substandard housing conditions, residents may be the subject of several housing threats. Evidence has shown that those who have the least resources at their disposal suffer the worst housing conditions. Dealing with poverty will thus remain a most important element in any housing policy, either through specific housing programmes, or through specific economic policies.

2.7 Housing Conditions in Addis Ababa

The majorities of houses in Ethiopia are below qualitative standard and lack adequate space. The extent of provision for water supply, electricity, and drainage is very minimal. The lives and health of people living in housing of such poor quality and with such inadequate provision for water, sanitation, and drainage are under continuous threat. However, in the developing world ingeneral and in least developed countries like Ethiopia in particular the number of people living in such conditions is increasing every year. Studies have shown that without major improvements in housing markets and in the expansion and improved provision of infrastructure and service, it is inevitable that the population living in such environmental expand very rapidly (EngelmanLovert, 1997).

There is a substantial imbalance between the demand for and supply of housing units in Addis Ababa. Accumulated demand for residential housing on the one hand and the low supply of residential land on the other have pushed prices beyond the reach of the majority of the residents in the country including Addis Ababa. Overcoming the housing problem, hence, requires efforts

in three main areas: housing demand; housing supply; and institutional framework. Improving the conditions in these areas, in turn, requires the combined efforts of the government of Ethiopia, regional administrations and donor agencies taking the view that overall development of the economy is crucial for the housing development in Ethiopia (Abrham, 2007).

Housing crisis of the city highly affects the low-income group which accounts more than 90 % of the city's population. Low level of economic development of the city, where the livelihood of a great number of the population depends on informal activities as well as more than 40% of the residents have no source of income for survival, is the main factor that hinder the majority of the city's population to acquire dwelling. This problem was revolving for the last 30-40 years (Azeb, 2008).

Despite the presence of a high magnitude of slum dwelling in urban centers, efforts to reduce urban slums through upgrading have been limited during the 1990s. There was, however, a program related to slum upgrading in Addis Ababa. In Addis Ababa, there was one notable government slum upgrading programme, led by the Environmental Development Office (EDO), established in 1994, although housing improvement did not feature as part of this programme. Slum upgrading programs remain piecemeal and small scale, and do not directly address the housing units but rather the urban infrastructure and services (MUDHC, 2014).

The structural features of the bulk of the housing stock in Addis Ababa similarly suggest that the housing problem is much worse than estimates of the housing deficits indicate. The structural condition of most of the existing units is so poor that any long-term use is difficult to imagine. For instance, the walls of some 75 percent of housing units are made of mud and wood (known

as “chika” houses. With poor building standards and lack of proper foundations, most chika units age quite rapidly. As a result, substantial proportions are always in need of major repairs while a sizable number are so old and in such poor shape that they are only fit for demolition. Comparatively, units made of bricks or stones account for about 15 percent of the total housing stock. Irrespective of building materials, available data suggests that only about 17 percent of the total housing stock in Addis Ababa can be considered to be in good condition at present (UN Habitat, 2007).

The federal government enacted proclamation on urban development policy that gives high attention for alleviating housing problems of urban areas. The city administration has also prepared five years housing development program in 2004 to reduce housing problem of the city by 50% (Azeb , 2008).

According to (UN Habitat, 2007) Despite progressive efforts in slum reduction, there are significant challenges in achieving the set targets. These are

- Lack of institution for guiding and implementing slum reduction programs in urban areas that could coordinate and guide slum renewal programs from planning to implementation specifically lack of a strong and organized institution that can mobilize financial and material support to the program has rendered urban renewal program efforts sporadic and uncoordinated that are left to individual cities;
- Lack of participation and transparency of slum renewal programs: slum renewal programs carried out in different urban centers were implemented without enlisting the participation of those affected. Program operational process was vague and not endorsed by representatives of the affected area.

- Limited institutional and technical constraints of urban centers to plan and implement urban renewal programs; and
- Limited preventive measures in urban areas to prevent proliferation of slums
- Formulation of Regulations
- Establishment of Renewal project office

2.7.1 Housing Stock

The average housing stock percentage increase (2.3%) between 1994 and 2004 was not compatible with the average annual growth rate of the population (3%) of the same period. This leaves 65.7 % of the households to be affected by housing shortage. As a result almost a quarter of the total households are living in overcrowded dwellings (Azeb, 2008).

The existing housing stock is of a very low physical quality. The general term slum is used to describe urban areas that accommodate dilapidated and deteriorated estates and that are predominantly occupied by residential housing stocks dwell, usually, by urban poor (Abdulwasi, 2009). According to this definition 80 percent of Addis Ababa is a slum with 70 per cent of this comprising government owned rental housing. The majority of low-income Ethiopians reside in rented kebele housing. The quality of kebele housing stock is low: typically constructed of mud, wood, and/ or discarded materials. Kebele houses are old, having been constructed many decades ago and little to no maintenance has been carried out. Some houses remain with no access to water and electricity, and many do not maintain minimum standards of sanitation. Government inactivity in kebele housing maintenance as well as the low rents is the major reasons why the kebele housing stock is of such a low quality.

When the government of Ethiopia nationalized urban land and extra houses under proclamation No. 47/1975, about 60 percent of the housing stock was transferred to government ownership. And two types of Government-owned rental units are established; the Agency for the Administration of Rental Houses, and Kebele Housing managed by Kebele Administration units, the smallest government administration unit, operating at the neighborhood level. According to MUDHC, still one-fourth of the total housing stock in urban areas is under the government ownership.

Of the total rented houses that are under government ownership, houses under Kebele administration accounted for 93% of this rental accommodation (UNHABITAT, 2010). These Kebele houses are old, were constructed many decades ago and little or no maintenance has been carried out. Some houses remain without access to water and electricity, and many of them do not maintain minimum standards of sanitation. The major reasons for Kebele housing stock to be of a low quality are no adjustment was made on rent price and the government inactive in the maintenance of these houses (MUDHC, 2005).

The other stocks of houses are private/owner occupied houses, these houses were of relatively low quality but they are of a higher standard than Kebele housing. They are not much deteriorated due to owners' greater attention to maintenance. In general, of the total available housing stock 70 per cent need total replacement and only 30 per cent is in a fair condition (UNHABITA, 2010).

2.7.2 Housing Needs

The government estimates that the current housing deficit is between 900,000 and 1,000,000 units in urban areas, and that only 30 per cent of the current housing stock is in a fair condition, with the remaining 70 per cent in need of total replacement (Irp-Cnr, 2001). In Addis Ababa alone, 300,000 units are required to meet the deficit. The housing deficit is set to increase concurrently with the foreseen high population and urbanization growth. Between 1983 and 2007, Ethiopia's population more than doubled, from 33.5 million to 81.2 million, and it is projected to more than double again by 2050 to reach 170.2 million. To accommodate future growth, the Urban Sector Millennium Development Goals Needs Assessment (2004) predicted that to meet the Millennium Development Goals (MDGs) in 2015 requires a total of 2,250,831 units, which equates to a considerable 225,000 houses per annum (UN Habitat, 2010a).

As reported by the UNHABITAT (2010), the government estimated that the current housing deficit is between 900,000 and 1,000,000 units in urban areas, and that 70 per cent of the current housing stock is in need of total replacement. In Addis Ababa alone, 300,000 units are required to meet the deficit. According to Fortune News letter (2014), for the 40/60, 20/80 and 10/90 schemes, around 865,000 people have been registered and started saving through blocked accounts they opened at the CBE in connection with the recently conducted registration for second round condominium housing in Addis Ababa.

The mammoth housing deficit in Addis Ababa is not just measured by the large number of units that are required today. It is also observable in the extremely small sizes of most available dwelling units. Although data on distribution of houses by floor size is hard to come by, an

estimate made in 1988 showed that the area of over 75 percent of the units are under 40 square meters, with the number falling under 20 square meters for another 20 percent or so (UN Habitat,2007).

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There is massive demand for serviced, healthy, affordable housing. This demand stems from both the current housing deficit and the poor quality of the existing kebele housing stock that is beyond repair. However, there is low *effective demand*. Effective demand is based on the ability and willingness to pay for housing, affected by income and what households are prepared to pay. Although effective demand is difficult to determine because it requires reliable data on income levels and expenditure patterns of households, their savings capacity and prioritization of housing vis-à-vis other forms of investment, it is the case that the majority of Ethiopians cannot pay for formal housing supplied by the private market. Therefore, the greatest need is for *affordable* housing (UN Habitat, 2010).

In order to reduce this massive housing demand and upgrade the existing slum areas, Ethiopia has been implementing an ambitious government-led low- and middle-income housing program i.e. the Integrated Housing Development Program (IHDP). According to the Urban Sector

Millennium Development Goals Needs Assessment (2006) the total costs for urban development for the period 2005/06-2014/15 are estimated at USD 6.3 billion of which the largest ticket item is housing that accounts for 56% i.e. USD \$3.5 billion (MoFED,2005).

2.8 Housing Finance

Bertrand Renaud (1984) put it best: "Cities are built the way they are financed". In this section, we will examine housing finance, not only as a key input to housing development but also housing finance as a key element in financial development more generally. Housing is the largest asset owned by most households. Housing is *always* financed, in the sense that virtually all owners of housing capital must pay for their units over several periods. Even households which own their units "free and clear" finance the unit in the sense that holding such a large asset has a financial opportunity cost.

Early studies of housing finance in developing countries emphasized the role of the deposit taking institutions in housing finance. Implicitly the model for many was the US savings and loan system and to some extent Britain's building society system. However, in developing countries and transition economies as well as in the developed world, the trend has been to move away from deposit taking institutions, and to break the direct link between small scale saving and mortgage lending. Secondary institutions and bond finance are becoming more important as proximate sources of funds (Malpezzi, 1999)

The lack of functioning mortgage markets in Ethiopia impedes the emergence of both savings institutions and long-term financing facilities. Risk bearing financing is provided in other countries by venture capital institutions. In the short to medium term, it is unlikely that such

institutions, which are capable of mobilizing substantial resources to finance the housing sector, will be developed in Ethiopia (Abraham, 2007).

Housing affordability in the city is extremely low. However, as a result of the supply deficit and high household formation rate, the demand for housing is extremely high. But because there are a few residential plots available for new construction, production is very low. It is this imbalance between supply and demand that pushes prices out of the reach of most households.

2.9 Policy and Legal Frameworks Related to Housing

Since 1991 Ethiopia has had a decentralized regulatory structure with considerable autonomy devolved to regional states regarding the management of their internal affairs. The country is divided into nine states (*Kilils*) and two autonomous administrative areas, the cities of Addis Ababa and Dire Dawa. The states are, in theory, financially independent from the national government. Each state comprises zones, districts (*Woreda*), cities, and neighborhoods administrations (*Kebeles*). In each region the districts are the basic planning unit and have jurisdiction over the kebeles³². The capital city of Addis Ababa has ten sub-city administrations containing 11 elected executives and 128 councilors at city level. There are 99 Kebeles within the capital and 300 councilors between them to represent 30,000 people. All land is property of the national government and is leased, not sold, for development (UN Habitat, 2010).

Until recently, there were few national coordination policies regarding housing and urban development. In 2005, the Council of Ministers of the Federal Democratic Republic of Ethiopia formulated and approved a consolidated Urban Development Policy to link together the small-scale efforts made by regional governments and cities since 2000. They also created the national

Ministry of Works and Urban Development (MWUD) to guide the overall development of the country's urban areas and conducting studies on its urbanization patterns³³. Within MWUD, the National Urban Planning Institute is responsible for preparing physical urban development plans, the Housing Development Bureau works towards the implementation of the IHDP including the MSE Development Programmes, the Urban Development Support Services deal with financial planning, human resources, and capacity building.

2.9.1 Integrated Housing Development Program

The Integrated Housing Development Program (2nd pillar), stands in line with Millennium Development Goals 7, Target 10 that seeks to reduce by half residents without access to safe drinking water and sanitation by 2015 and Target 11 that seeks to bring about considerable improvements in the lives of at least a 100 million slum dwellers by 2020. It is also concerned with the objectives of upgrading the conditions in urban areas, achieving high-density development and trimming down the cost of infrastructure, lowering the rate of urban sprawl and reducing slums in Ethiopia by about 50%. Through this program, the government aims to finance and construct much needed accommodations giving priority to the interest of middle and particularly low-income households (Kidist, 2014).

Towards these aims, the ambitious vision set by the government as part of PASDEP and particularly the Integrated Housing Development Program for the years between 2005 and 2010 comprised of five major goals (MWUD, 2007). These included:-

- Constructing 360,000 housing and 36,000 commercial units nationally and
- In the process generating 200,000 job opportunities,

- Availing the necessary infrastructure, planned and serviced land for housing,
- Boosting the performance of the contractors, consultants and engineers and finally,
- Providing adequate assistance to property developers, housing cooperatives and private homebuilders so that they can be able to construct 125,000 housing units per annum.

Since the start of Integrated Housing Development Program in 2005, half of the initially targeted number of housing units (213,000) have been built nationwide, presenting low-income residents a chance to secure tenure in accommodations with basic services and infrastructure (MoFED, 2010). Unfortunately, these houses are still outside of the financial reach of the “poorest of the poor” in the country with government estimates suggesting that as much as 70% of the low-income tenants that receive these houses rent them out to households with higher income as they can’t make the bank loans or the necessary monthly mortgage payments (UN-HABITAT, 2010b).

Although this contradicts with the original purpose of the program to provide homes with basic services for low-income tenants, all is not lost, as even in the current setting of this persisting challenge of providing affordable homes, two unforeseen opportunities have risen from the new income the rents bring these low-income landlords. The first is that, the low-income landlords are now able to relocate to better-facilitated *Kebele* houses with the new income and the second is that it is an income generator in itself meaning that they are economically wealthier and can afford a better standard of life than before (UN-HABITAT, 2010b).

Clearly, there is much to be done to realize the full rewards of the ambitious visions set on 2005 on the onset of the Integrated Housing Development Program in improving the living conditions

of Ethiopians. At the same time however, it is imperative to note that the program has sparked a large-scale low-income housing initiative that has been widely successful in partially curbing the house deficit in the country, in its creation of over 176,000 new jobs and considerable role in the enhanced performance and capacity of the construction sector (MoFED, 2010; UN-HABITAT, 2010b). This accomplishment demonstrates among others, the employment opportunities the Integrated Housing Development Program has availed while constructing much needed low-cost houses and the potential of the housing sector to enable growth in the economy.

2.9.2. Integrated Housing Development Performance

The IHDP is undertaken since 2006 in 55 towns located under five regions and Addis Ababa and Dire Dawa. As reported by MoFED (2010), during 2004/05 – 2009/10, it was planned to construct 396,000 new houses and by the end of this period 213,000 houses had been built in various regions and City Administrations. Of the houses constructed 72,000 were handed over to the beneficiaries. However, the IHDP has been suspended in the regions for reasons like: the condominium blocks have been described as „an eye-sore“ in the smaller low-rise provincial towns and demand has been low due to considerably lower purchasing power in the regions than in Addis Ababa (Tamiru, 2009).

Recently, the government has started implementing a new housing project in Addis Ababa which is divided into four different categories based on payment modalities: 10/90, 20/80, 40/60 and housing association. The payment modality for the last one (housing associations) necessitates hundred percent upfront settlements, while the others incorporate 10, 20 and 40 percent down payment by individuals mixed with a long-term mortgage plan, (Ebisa, 2014).

Chapter Three

Research Method

3.1 Study Design

The descriptive and explanatory research designs were employed for this study, and cross sectional mixed research methods approach was used. The descriptive and explanatory research designs were used because; they are suitable to describe and explain the degree and nature of the housing problem, provision of affordable public housing and social and health impacts encountered by residents in the study area. Both qualitative and quantitative research approaches were used for this study. According to Hall (1996), using both strategies is due to gradually agreed realization by social scientists to compensate the problems associated with both strategies by the strength of the other. The mixed research approach is useful to capture the best of both qualitative and quantitative approaches. Thus, the study was employed both quantitative and qualitative research approach of data collection and analysis to keep its validity and reliability. Quantitative aspects which focused upon the data with numeric nature was selected to address the research objective that aimed to assess the existing problems and qualitative type also helps to compensate the deficiency of quantitative analysis and provide a more explanatory power to it.

To this end, the required qualitative data were collected from 10 purposely selected in-depth interview participants and 5 key-informants. On the other hand, the quantitative data was gathered from 150 randomly selected survey respondents using systematic random sampling techniques. Moreover, observation was held in the overall process of field work to substantiate data obtained from other research methods.

3.2 Descriptions of the Study Area

Addis Ababa is the capital city of Ethiopia, the seat of the African Union (AU) and the United Nations Economic Commissions for Africa (UNECA). It is situated between 8055' and 9005' North Latitude and 380 40' and 380 50' East Longitude in the central plateau of Ethiopia. It's covers an area of 540 sq. km. Addis Ababa is founded by the 19th century Ethiopian king Emperor Menelik II and his wife Empress Taitu in 1887 (Teshome, 2012).

Due to its average elevation of 2,500 meters above sea level, Addis Ababa has a suitable climate and moderate weather conditions. Besides, for political and administrative reasons, the city is made to be structured at three tiers: City Government at the top, 10 sub cities Administrations in the Middle, and one hundred sixteen woreda administrations at the bottom (Mulugeta, 2011).

Gullele is one of ten sub cities of Addis Ababa. It has a total population of 201,713 (CSA, 2007). Its geographical area cover 9.18 KM² (Ibid). It is situated at the north of Addis Ababa and bounded by Arada sub city in the south, Yeka sub city in the West and Kolfe-Keranio sub city in the east.

3.3 Sources of Data

Primary and secondary sources of data were used in this study. Primary data was gathered from condominium applicants, administrative bodies and experts in municipality by using open and closed-ended questionnaires and interview .In an effort to make this research more valid and worthy, all relevant secondary sources pertinent to the study were reviewed. These include; published and unpublished materials such as books, journals, magazines, internet, governmental

and non-governmental records and archival documents from municipality of Addis Ababa, Gullele sub-city and AAHCDB.

3.4 Sampling Technique and Sample Size

The study was conducted with the aim of investigating the housing problem of condominium applicant in Gullele sub-city. To this end, both probability and non-probability sampling methods were applied in order to select respondents. First, the investigator was obtained the sampling frame that contained the list of all condominium applicants from Gullele housing development and administration office and AAHCDB respectively. Second, with regard to systematic random sampling technique, the samples of 150 respondents were randomly drawn using random number generating table from the total survey population. Third, non- probably sampling method was used to conduct the in-depth interview with 5 purposely selected informants among government officials and 5 tenants residing in *kebele*houses and privately rented houses to dig in the very details of their experience on the topic under investigation. On top of this, key-informant interview has been conducted with 5 experts form housing development of AAHCDB in order to obtain data.

3.5 Procedures of data collection

The data gathering tools were designed on the bases of review of related literatures, objectives and research questions. Before the questionnaire was administered to the actual respondents, a pre-test (pilot test) was carried out. This has helped the investigator to ensure language lucidity and check appropriateness of the items to be contained in the questionnaires. Pilot test also has helped the investigator to get feedback whether the questionnaire was constructed properly especially in detecting some redundant, ambiguous and unclear items of the questionnaire. During the initial stage of questionnaires administration, the investigator has made the objectives

of the study clear to the respondents in order to avoid any confusion. Before conducting questionnaires, the time convenience for the respondents was considered in order to maximize the rate of cooperation. Accordingly, all survey data collection was conducted properly filled and.

3.6 Methods of data collection

Collecting data through different methods leads to the accurate research findings. Having this in mind, the investigator used the following data gathering methods: Survey, In-depth interview, Life history study and observation.

3.6.1 Survey

Due to resource and time constraint, the research could not entertain large number of people in case studies and in depth interviews. Therefore, survey was used to fill the gap and support the representative sample to address as many individuals as possible to help gather relevant first hand information. Two different sets of questions were prepared for survey questioner: close-ended and open-ended questions. The questionnaire was prepared and translated in to Amharic, so that the respondents could easily understand. The items of the questionnaires were classified based on the objectives of the study.

3.6.2 In-depth interview

When the investigator felt doubt about the reliability of information gathered through other techniques or when there is a need to reinforce the data with further information, In-depth key informant interview used as best solution as a method, which offers the opportunity to acquire ,information directly from knowledgeable people. Moreover, the method also has been instrumental in generating recommendations. Accordingly, In-interview was used to gather more

of qualitative data explains and narrates the study population rather than expressing it in terms of numbers.

3.6.3 Non-Participant Observations

Non-participant observation method involved the physical viewing of what is present and occurring at the site or geographical location of interest by the researcher. Among the primary data collection methods, observation is crucial to understand peoples' activity in the basis of how, what and why they are doing something. This allows the investigator to develop confidence to speak and analyze what is being said and what is really going on in the actual setting. In this case, the investigator has observed the living condition of the people, the current situation of the housing problem within the study area and contacted the key persons in the study area.

3.6.4 Life Histories

Life histories have been important to organize a wide range of data about the cases and then analyze their meanings and looking for patterns in it. It is also important to deepen discussion on pertinent issues related to the process, participation, access, availability of choice, impoverishment risks faced, quality of life at their shelter and the city. The researcher has been able to explore and reflect specific details of the practical life experiences of some households regarding the impoverishment risks households encountered due to their existing housing condition and state-led housing program.

3.7 Methods of Data Analysis

In view of the descriptive nature of the study, the raw data collected through questionnaires was carefully tallied, tabulated, and organized. Accordingly, respondents were categorized; percentages were used to analyze the demographic characteristics of the sample population such as sex, educational qualification, and work experience and frequency count was employed to

analyze various characteristics of sample population and to describe similarities and differences between the respondents .On the other hand, data collected through interview were presented and analyzed qualitatively by directly reflecting and narrating the interviewees' word. Data obtained from documents of municipality and other sources were analyzed by quoting and reflecting on issues of residential housing problem.

Chapter Four

Data Analysis and Presentation

4.1 Description of Socio-Economic and Demographic Characteristics

This chapter examines the socio-economic and demographic characteristics of sampled condominium applicants from the study area. The data used was derived from the housing unit survey questionnaire. This aspect of respondents' characterization has some social and policy implications, particularly as it relates to housing affordability and policy of equal opportunity (housing accessibility).

4.1.1 Sex and Age Structure

According to the survey data, 46.7 percent are males, whereas the rest (53.3%) are females. Age and sex structure is one of the important characteristics of population. The household heads by age and sex have their own impact on housing condition. If the household heads are young and male, the chance to earn higher income in order to improve the housing conditions in the future may be very high, where as if the household heads are old and females, the chance to earn higher income so as to improve the housing conditions in the future may be low.

83% of them are found in economically active age group. So if they have the chance to be employed in a good job, they can improve their living condition thereby improve their housing condition.

4.1.2 Ethnicity

Ethnicity and language composition are also other aspects of social characteristics. Majority of the respondents are Oromo and Amhara (33.3 and 32.7 respectively). In the third place, there is

Gurage with (12%). The remaining 33 or 22% are from other ethnic groups such as Tigre, Welayta, Gamo and Sidamo. This indicates the diversity of ethnic groups in the study area and the housing problem is shared by all individuals. No matter from which ethnic group are they come, as long as they are poor in Addis Ababa.

4.1.3 Religion

Religion is another important social aspect, which refers to a system of attitudes, beliefs and practices that individuals share in a group. It is among the social institutions which have strong bearing in the process of planning future requirements for worship and burial places in the city. In the study area, based on sample survey and the researcher's personal experience and observation, the majority of people was followers of orthodox Christianity and followed by protestant.

The distribution of the respondents across the four major religion shows that the vast majority of the respondents 104(69.3) are orthodox Christians, 34 or (22.7%) are protestant Christianity followers, while 8% or 12 respondents are Muslims and this indicates diversity of people from different religious groups.

4.1.4 Educational background

The educational level of household heads has a great influence on housing condition. It may be appropriate to suggest that well educated couples try to reduce the birth rate being aware of its impact on the economy, health of mother and the children themselves. In least developed countries like in Ethiopia, education is an indispensable factor that increases access to better occupation and income. Furthermore, better-educated people may try to exploit the available resources to alleviate the housing problem.

Regarding the educational status, 38 (25.3) of respondents are illiterate or cannot read and write. Among the respondents 18.7 percent and 22.7 percent are completed primary and secondary school respectively. There are 25(16.7) diploma and degree holders among the respondents. Most of the respondents with low level of education indicated that they have rural background or they are originally from rural area and cited this as a reason for their low level education. Consequently, this low level of human capital (knowledge) has impact on their income and livelihood and the study result indicated the same reality.

Table 4.1 Cross tabulation between respondents' educational background and income

Educational Background	Monthly income of the respondents				
	101-500	501-1000	1001-1500	1501-2000	More than 2001
Illiterate	0	9	4	10	10
Primary	4	4	3	1	1
Secondary	2	6	2	16	16
Diploma	0	0	6	15	15
Degree and above	0	0	1	24	24
Total	6	19	16	43	66

Source, own survey, 2016

4.1.5 Birth Place

Migration is said to be the major component explaining the fast growth of urban population of which the study area is not an exception. Whether a person is a migrant or not is the mechanisms to know the birthplace of a person. Birthplace of a person has a significant influence on housing and housing facilities, and social as well as economic impacts on the dwellers of the residence.

According to the survey 65(43.3) of respondents were born in Addis Ababa. And 52(34.7) respondents were born in rural area and came to Addis Ababa at different time and settled permanently. The remaining 33(22%) respondents were born in the other cities or towns of Ethiopia. As indicated earlier their birth place has affected their educational level. Hence it is possible to generalize that most of the urban population came from outside of Addis Ababa; because of getting employment, to get better education, transfer job, and marriage.

4.1.6 Marital Status

In one way or another marital status affects the housing condition of a given society. For instance, single household heads may have a better opportunity if the level of occupation is taken into consideration. On the other hand, divorced or widowed household head may face shortage of income so as to improve the housing condition if the one who left the dwelling unit either through divorce or death was the main source of the household income. Moreover, married couples may also have higher income if both are working.

Majority of the respondents (96) are married which accounts for 64 percent. Only one respondent is found to be divorced while 30(20 %) of the respondents had lost their partners due death. And the remaining 23(15.3) are unmarried.

4.1.7 Family Size

Family size determines the degree of congestion. If the family size is large, the need for appropriate number of rooms arises. Household size can also affect the housing condition, the social and economic condition of the household head. If the heads have a higher number of children, the need may arise to feed; clothes, educate and provide health services and so on. All

these demand large investment and in turn, badly affect the quality of the house as much of the income will go to children rather than improving the housing condition.

The survey revealed that family size of the respondents ranging from three up to ten. The majority of participants 63(42%) have a family size of 4-8 followed by 41(27.3%) and 27(18%) who have a family size of and 3-4 and 5-7 respectively. The rest of them have more than 8 family members. As the data indicated most of the respondents have large family size. Generally having a large family size of respondents has worsened the problem.

Table 4.2 Frequency and Percentage distribution of respondents by family size

Number of children	Frequency	Percentage
Below 2	41	27.3
2-4	63	42
4-6	27	18
More than 6	19	12.7

Source, own survey, 2016

One female respondent, who is 46 years old, said that she has completed high school and has been living in a kebele house her entire life. She has been working in a government organization as a secretary and married to a man who is 50 years old at the time of this research. Her husband has a degree in marketing and working in private organization. They have four children. The oldest is 26 years old and she is studying accounting. The second daughter is 24 years old and has finished high school. The third son is 18 years old and he is in 10+3 level at Entoto technique School. Their last child is 12 and is in 6th grade in a school in TibebEdget. As the respondent informed the researcher, they have an average income birr 2500 birr/month. They are part of the Eddir named Weyeyet and Andenet which they paid 10 birr each/month.

The house is rented for 5.50 birr which they regularly pay the rent on time. Though, originally the house had only 2 rooms with no separated kitchen, but in due time because of having large family size and lack of enough rooms for kitchen and separated bed room forced them to extension and modification, it has become 3 rooms and 1 kitchen. She confirmed:

The largest room is the living room and it has sofas to entertain guests, a buffet table, TV. The second largest room is the kitchen/master bedroom which can be entered directly from the compound. Mainly it contained a bed, a stove and a refrigerator. The master bedroom is made by extension. It has a bed which has several things stored in it. The two smallest rooms are the boy's bedroom. The boy's bedroom was added by dividing the kitchen into two.

The respondent further added that:

I have two female and two male children and out of this three of them are more than 18. I always felt guilt for that not providing sufficient room for them to experience their transition to adulthood with full privacy.

4.1.8 Occupational Status

There is a strong relationship between occupation and income and this in turn, influences the housing condition. There may be variation in the level of income depending on the type of occupation. If an individual is qualified and at the same time employed, he/she may have a better chance to earn more money. For instance, the income of the daily laborer is by far lower than that of formal traders or people with regular jobs.

The household heads improve the housing unit depending on the amount of income, which they earn. That means the higher the income, the more the chance to have better houses well equipped with housing facilities and vice versa.

Table 4.3 Cross tabulation of employment situation and work place

Employment situation	Type of work					
	Office	Service	Trade	Technique	Any type	Total
Permanent	39	8	0	12	0	59
Temporary	2	1	0	0	2	8
Private	0	0	35	16	6	71
Housewives	0	0	0	0	0	10
Others	0	0	0	0	0	4
Total	41	9	35	28	8	150

Source, own survey, 2016

According to the result which is obtained from the survey, 59(39.3) of the respondents have a permanent occupation. 71(47.3%) are self-employed. 10(6.7%) of the respondents are housewives. 6(4%) have temporary occupation and the remaining 4(2.7%) are categorized themselves as person who can work any type occupation. As a result, this occupational situation

has an effect on their ability to have better housing condition and to get condominium housing through their income.

As per to the result, slight majority 41(27.3%) of the respondents type of work is carried out in office. 35(23.3%) of respondents type of work is trade. The third category 28(18.7%) of respondents are engaged in techniques works and the remaining 9(6%) and 15(10%) are engaged in service sector and any type of works respectively. The income that most of them could generate from these types of works is not sufficiently enough. They are expecting to spend their income in each and every household expense while they are obligated to save some money from their income for housing program they have registered. Consequently, this situation forced them to decrease other expenditures and exposed them for other problems.

4.1.9 Work Place

With regard to the employment, the study also surveyed about the working place of the participants. Majority of (46.7%) respondents working place is located near to their home. The second majority (33.3%) of the respondents do not have permanent work place. The third group (14.7%) of the respondents is using their home as work place. The rest (4%) of the respondents have stated that their work place is either different from others or is out of Addis Ababa.

As one can see from the result almost half of the respondents are working either in their home or around home. Thus, directly or indirectly this forced them to put pressure on their home. This makes their housing condition difficult for living.

4.1.10 Monthly Income and Expenditure

The table 4.4 shows that 66 respondents out of 150 earned a monthly income of more than 2000 Ethiopian birr and most of the respondents from this category were living in private rented houses. The second 43 and the third 19 respondents earned between 1501-2000 and 501-1000 respectively. The fourth group of 16 respondents earned between 1001-1500 birr. The remaining 6 respondents out of 150 respondents earned between 101-500 birr from different activities. From this income the respondents are expected to distribute for different expenses. In addition to this to get condominium houses the respondents have to save some amount of money stated by government. According to the majority of respondents they are desperate to get better housing condition. They have to minimize other expenses to achieve that and in turn it leads them to depletion of their family wellbeing. Some of the respondents covered their expenses from the remittances sent by their children or relatives living in Middle East countries.

Table 4.4 Cross tabulation of respondents by Income and expenditure

Monthly income of the respondents	Monthly expenditure					
	101-300	301-600	601-900	901-1200	>2001	Total
101-500	4	2	0	0	0	6
501-1000	0	6	13	0	0	9
1001-1500	0	0	5	11	0	16
1501-2000	0	0	6	19	18	43
More than 2001	0	0	0	5	61	66
Total	4	8	24	35	79	150

Source, own survey, 2016

With regard to expenditure table 4.4 shows that majority of 79(52.7%) of respondents expend more than 1200 Ethiopian birr from their monthly income, 35(23.3%) and 24(16%) of respondents spend between 901-1200 and 601-900 respectively, 8(5.3) of the respondents expend between 301-600 and the remaining 4(2.7%) of the respondents expend between 101-300 birr for different activities. Now a day they have expected to save some money for housing program. Therefore most of the respondents have to shift their some expense to housing save from their original purpose. The one can conclude that the housing program becomes the burden for urban poor's especially in Addis Ababa because of their desperate need of adequate housing. However, the mentioned income per month especially the lowest might not be real as most of the respondents were not voluntary to tell the actual income, what they earn really. Here it should be underlined that the income is one of the crucial variables which indicates the overall socio-economic conditions of the respondents and affects housing characteristics.

The findings of this study revealed that the amount of monthly housing rents for all rented houses and the respondents spending for rent from their income. Accordingly, one third or 33.3% of them paid monthly rents up to birr 1500, 29.2 % paid 1000-1300 birr, 20.8% paid 700-1000 birr and the rest paid less 700 and more.

Therefore, the majority of the poor were forced to live in low standard house. They could not afford to pay much due to their limited income. The fact that the majority of houses were owned privately implies that there is an incentive for maintaining and improvement of housing condition. But the fact that housing condition is poor may signify the poor standard of living.

One male respondent who is 49 years old said he has lived in his house for 35 years. He attended school until 6th grade; currently he has no job but used to work in government organization. He now takes pension from there every month. His wife was a 44 years old woman. She completed school until 9th grade. She is a house wife who takes care of their three children. The oldest son is a 29 years old and has finished his university education. The second child is 16 years old, and she is attending 10th grade at DebreSelam school. Their youngest son is a nine year old, who is in 3rd grade and is learning at Addis Berhan school. The family has an average income of 1200 birr/month and they had one Edir which they paid 15 birr/month.

The house is owned and built kebele. They did not know exactly when it was built but it is more than 35 years ago. He had rented the house from kebele after the Derg regime. After the Derg came into power it was given to them to rent it for a lower price.

The house has only one 4 by 4 room, where four people are living together and used for several functions. According to the respondent, all the day to day activities, i.e. cooking, dining, sleeping and storing were undertaken under a single roof.

This congested housing condition forced me to apply and start saving for condominium housing though our income is too poor to fulfil all household daily needs. I had four children, I don't have sufficient educational background to choose from jobs or to get a better job and I become old. Therefore, currently fulfilling these household needs and saving became highly challenging mainly because of poor income sources and I almost forced to quit from the program.

4.1.11 Social Participation

According to the survey result there is high level of social participation by respondents. Majority 78(52%) of the respondents are participating in Edir and Equb. Next (42.7%) of the respondents are at least participating in one Equb and the remaining 5.3% participated only in Edir or they do not have any participation. Only two of the respondents do not have any participation in these social activities. Edir is more common than Equb in Addis Ababa. However in the study area the researcher has found that Equb is as important as Edir in the area. There are so many Equbs in the study area and some of them are well known. In addition to this there are well-respected individuals in the study area because of the strength of the Equb established and led by them.

Regarding the level of social relationship, vast majority 99(66%) has good social capital when they seek help or favor. The second category 41(27.3%) of the respondents have few people around them when they need support of any kind. The remaining 10 (6.7%) of the respondents have people more than enough. Some of the respondents said that they have put their trust in their social circle for immediate need particularly financial need. In addition to this according to them the financial rules of condominium especially the prepayment is tough and during this time they prefer to rely on their social circle.

4.1.12 Level of mutual relationship

In addition to the level of relationship, the survey has explored the level mutual help between respondents and their significant others within their life. The first group 69(46%) of respondents have very strong relationship with their social circle. Second one 67(44.7%) have very little relationship with their social surroundings. The rest 12(8%) of the respondents either have not relationship or have very little relationship. Most of the respondent those who have little social

relationship either they do not have permanent residential place or have conflict with their neighbors because of different reasons

Table 4.5 Frequency and Percentage distribution of respondents by relationship

Amount of help	Frequency	Percent
Much more help	69	46.0
Little more help	67	44.7
Little less help	12	8.0
Little more help	2	1.3
Total	150	100.0

Source, own survey, 2016

4.2. Housing Characteristics and Its Impacts

This part presents and discusses the result of analysis of the data derived from the observation schedule and part of the housing unit and their impacts survey questionnaire. It examines the characteristics of respondents housing condition and their influence on health of residents. The Chapter begins with the presentation and discussion of the result of analysis of data on housing unit features, next to this are housing services and infrastructure and social and health problems caused by the housing conditions.

4.2.1 Type of Houses

Houses can be constructed from various materials. The constructional materials of the houses vary from society to society depending on their respective socio-economic, cultural and

environmental conditions. Quality and durability of dwelling units depend mainly on the principal materials used in the construction of dwellings.

According to the survey result About 106(70.7%) participants are living in mud house or *ye chicka bet*. The next 39(26%) of the respondents are living in single room house and most of the respondents who are included in this category are living in private rent. The rest of the 5(3.3%) are living in apartment. As the data indicated most of the respondents are living in *chika bet* or houses owned by kebele and they have numerous problems.

Table 4.6 Cross tabulation of type and construction materials of houses

Type of houses	Construction material of respondents house		Total
	Concrete	<i>Afere</i> /Mud	
' <i>Ye Chika Bet</i> ' (mud house)	1	105	106
Apartment	5	0	5
Single room house	31	8	39
Total	37	113	150

Source, own survey, 2016

According to the survey result and verification of the result by first-hand observation of the researcher, the vast majority 113(75.3%) of the respondent houses are constructed by mud or *Chika*. The remaining 37(24.7%) houses of the respondents are constructed from concrete. An attempt was also made to see the roofing and ceiling materials of housing units in. Accordingly, regarding the roofing materials, all the surveyed housing units (100%) had corrugated iron sheets. As far as the ceiling materials were concerned, out of the total surveyed households almost more

than half had no ceiling at all. The rest of surveyed households 56.4% had some sort of ceiling materials of high.

In general, from the preceding analysis, one can easily understand that the majority of the respondents lived in houses which were constructed from wood and mud. Therefore, in those housing units, the lives and health of residents are continually threatened.

4.2.2 Number of Rooms and Residents

Regarding the number of rooms, according to the UN (1987) recommendation occupancy of housing of less than 1 person per room was considered as under occupied, 1 to 2.4 person per room as adequately occupied and 2.5 or more person per room as overcrowded from the point of maintaining the health and private standards. Hence, based on this recommendation, one can conclude that the poor households predominantly lived in the overcrowded conditions or heavily crowded conditions. In the next table the result of the sample survey of number of rooms per housing unit is presented.

Table 4.7 Cross tabulation of respondents by number of bed rooms and residents

Number of rooms	Number of residents in the house					Total
	One	Two	Three	Four	More than five	
One	1	9	17	37	67	131
Two	0	0	0	1	18	19
Total	1	9	17	38	85	150

Source, own survey, 2016

As Table 4.6 illustrates, Many 131(87.3%) of the housing units had only one room and the remaining 19 (12.7%) had two rooms. To make things clear, respondents particularly those who have large amount of family size has made several places for a sleep because they do not have bedroom for their entire family. Most of them are using their living room as children's sleeping room at night. Some of the respondents are sharing their bedroom with their children and this affecting their privacy. One respondent has said:

We have to wait for our children to go to school to have intimate time with my wife because we have two room house and one of the rooms a bed room for the entire family. We are sharing bed room with our children and we do not have privacy at night.

Table 4.6 also indicated that within the vast majority of participants houses there are five or more than five residents. In the next category, there are four residents at least in the house. In the third and fourth group of the respondents, there are two or three residents in the house. The average number of persons per room is about three which shows an overcrowded condition. Therefore, there is worst housing situation within the poor segment of Addis Ababa population and the researcher had verified this situation with personal observation. Another respondent said:

I am living in this house with my wife and my children. Two of children are married and living here with their family. This means in this house there are three independent families and there are small partitions and very small rooms to make rooms for these three families. Life is difficult for me and my married son and daughter because of housing shortage.

4.2.3 Rooms Required

The data in table 4.7 show that the large proportions 96(64%) of the respondents are required to have additional bedroom for their family member. The second 26(17.3%) and the third 16(10.7%) groups of the respondents are required to have guest room and storage for their house respectively. And finally the rest 12(8%) of the respondents are required to have kitchen. However, almost all respondents preferred to have all these rooms with adequate spaces than their current housing condition. Most of the respondents, particularly those who are living in kebele house are desperate need for improved house.

Table 4.8 Frequency and Percentage distribution of respondents by require room

Required room	Frequency	Percent
Storage	16	10.7
Guest room	26	17.3
Kitchen	12	8.0
Bed room	96	64.0
Total	150	100.0

Source, own survey, 2016

3.2.4 Housing Tenure

As depicted in the table 4.8 more than half 82(54.7%) of the respondents are living in kebele houses. The majorities of houses are below qualitative standard and lack adequate space. The lives and health of people living in houses of such poor quality and with such inadequate provision for sanitation and drainage are under continuous threat. Due to the rent price of

kebellehouses is too cheap when it compares with housing market of Addis Ababa people still choose to stay in such houses. 49(32.7%) of the respondents are living in privately rented houses. As per researcher observation these houses relatively having better quality than kebele houses. The next 12(8%) of respondents are “*tigenga*” to their family house. Finally the remaining 7(4.6%) are living in apartment and illegal houses. There are two major reasons behind the deteriorated quality of kebele houses according to respondents. First lack of economic capability to improve their house and the second one is that bureaucratic complication of the kebele administration to give permission for residents to repair their house.

Table 4.9 Frequency and Percentage distribution of respondents by type of tenure

Type of tenure	Frequency	Percent
Private rent	49	32.7
Family home	12	8.0
Apartment	5	3.3
Kebele house	82	54.7
Illegal house	2	1.3
Total	150	100.0

Source, own survey, 2016

As kebele official informed me the kebele could not get any financial support from the higher authorities to repair obsolete or construct new house to answer the requests. The main or only source of income to the kebele is house rent. This limited sources of income limits the activities of the kebele even some of the kebele officials give free services. Hence, lack of good financial resources inhibits the kebele from repairing declining rented houses.

Rented houses under kebele have extremely low rents, but it is impossible to gain access to them and there are several bureaucratic complications. In general, the tenant occupied units locked carefully and responsible handling.

4.2.5 Social Amenities

One of the ways of keeping the standard of a given residence is classifying the house into different rooms for various purposes. One of the necessary components of the housing is social amenities

Majority 108(72%) of the respondents kitchen's are located outside their house. 34(22.7%) of the respondent kitchen's are located within their house. The rest 8(5.3%) of the respondent even do not have a kitchen. One respondent, for instance said that *"we have to go to family house or our friends' house to make injera"*. As the data indicated most of the respondents have a kitchen either in their house or outside of their house but this does not mean they have a proper kitchen. In addition most of the kitchens have made from plastic and iron sheet which makes the household members vulnerable to different social and health problems. Generally, with their food consumption there is problem because of their lower income and also there is problem with cooking because of their housing. The poor therefore are vulnerable from different angles because of lack of adequate housing.

The study also assessed how the respondents are using their kitchen. The finding shows that slight majority 79(52%) of the respondents are using their own kitchen for their household only. 65(43.3%) of the respondents are sharing their kitchen with their neighbors. The rest 8(5.3%) of the respondents are not willing to answer this question. Most of the respondents those who have

shared kitchen stated that most of the time they are engaged in conflict with their neighbors because their kitchen space utilization.

The supply of water greatly varies both in quantity and in quality though the presence of water is a basic requirement for urban community. The availability of pure water supply for the occupant of each individual unit in the urban center is of paramount importance for the prevention of communicable diseases as well as for the hygiene and general comfort of the dwellers.

The result shows that 100(66.7%) of the respondent claimed that their main source of water supply is private line that is administered by Addis Ababa water and sanitation authority; (21.3%) source water from water vendors and 18 (12.51%) from common water sources or commonly called *Bonno*. There is no abundant supply of water by government for the city because of different reason. In addition to this, poor people and neighborhoods do not have the capacity to maintain water tanks. When these two problems added each other creates a sanitary problem for these poor residents who lived in deteriorated housing situation.

The availability of waste disposal system is essential for housing units. The manner of waste disposal has its own implication on the health of the residents. Haphazard disposal system of wastes facilitates breeding grounds for transmittable diseases.

The city of Addis Ababa does not have efficient and effective way of waste disposal system. The city's officials do not seem they have given a due attention to it. The community, the health center, the kebelles and other concerned bodies in collaboration have to find solutions to alleviate this problem.

According to the survey result, the great majority 100 (66.7%) of the respondents have disposed of their waste by government agencies, the next 32 (21.3%) of respondents are disposed their waste by themselves. Most of these respondents disposed their waste in open places, rivers and ditches. The health problem associated with such system of waste disposal is very immense. It is a relatively small proportion of the households who disposed waste materials in a right way and there is some method of disposal system prepared by the municipality.

The general conclusion that emerges from the analysis in this sub section is that the conditions of various social amenities such as kitchen, water and waste disposal systems are very poor. This means that due attention has to be given to alleviate the problems by the concerned body.

4.2.6 Perception about Getting House and House Price

With regards to the perception of the respondents on the condition or process of acquiring the housing, table 4.9 shows that the vast majority 134 (89.3%) of respondents have claimed that housing acquisition process is very stringent, the remaining 16 (10.7%) claimed it is stringent. This indicated that one way or another getting house in Addis Ababa according to respondents of this study is hard. One of the respondents added to that:

The sky rocketing price and the bureaucratic procedures rendering the chances of getting house for the poor members of the city to get housing increasingly impossible .If I get land in Addis Ababa with small price that would be in cemetery for my funeral.

Table 4.10 Cross tabulation of perception of respondents about acquiring house and house price

Attitude towards acquiring house in Addis Ababa	opinion towards the price of Condominium in Addis Ababa		Total
	Highly Unaffordable	Less Unaffordable	
Very stringent	119	15	134
Stringent	4	12	16
Total	123	27	150

Source, own survey, 2016

Similarly, respondents were asked to express their perception about the cost of the housing in relation to their income. The result shows that a majority (82.0%) of the respondents indicated that the cost of acquiring and /or renting the adequate housing in Addis Ababa is highly unaffordable to them. The remaining 27(18%) are indicated that the same response with less degree. Either way both groups stated that housing price in Addis Ababa is expensive when it compares to their income.

Generally speaking the housing market of Addis Ababa increasing from time to time at an alarming rate, the price of lease land in Addis Ababa is expensive and their income is low. Therefore, all these reasons forced them to have such perception.

4.2.7 Adequacy of Home

The quantitative data of housing situation analysis indicates that critical shelter problems of the study area are housing shortage, poor housing quality and poor living and working environment. The problem is especially acute for poor households. As a result of the survey almost

three-fourth of the respondents from this study are living in overcrowded dwellings. Almost all of the respondents are mentioned the three reasons that are stated above.

Housing qualities measured in terms of important indicators such as adequate space availability and the physical conditions of houses, most of the houses in the city (in the study area) can be regarded as of low quality. About 87.3% of the housing stock had only one room. With regard to physical condition, the feature of most of the units is in need of replacement because, 75.3% of the total housing stocks of the respondents are built up of mud and iron sheet and served for several years. According to the data obtained from Gullele sub city housing development and administration officers besides the units, which are constructed of mud and iron sheet, especially those owned by the government have served for more than 40 years without significant maintenance. As a result, they are in a poor physical condition and in need of complete demolish and replacement.

The majority of the respondents have no financial capacity to build their own dwelling according to the standard of the regulation. Now a day this is beyond the reality since the price of construction materials is rising rapidly. The data collected by interviewing the officers of Gullele sub city administration indicated that, the respective price change of the main construction materials that have a major role in determining construction cost of a house.

One respondent who is 38 years old man. He attended school until 9th grade and a wife, Bethlehem and two sons. He has been living in a rented house with his family members. He and his family had lived in different rented houses at different times. He has opened a small shop (Suk) a few years ago to support his family and he is the one that runs it. His spouse is a house wife who is a 25 years old woman and she has completed 10+2 level in secretary studies and looks after their sons.

His youngest sister is a 21 years old. She is a student at private College which is located near to their neighborhood. The family has an average income of 2000 birr per month. Out of that the total income He has to pay 800birr/month for rent. He spend the remaining money for household expenditure and condominium saving.

The house was built by Atoseyoumketema who has rented to him. AtoSeyoum still living behind his house in his own compound. The house is used for both residential and commercial purposes. The shop sells everyday items including soft drinks, soap, candy and injera. The shop was 2m by 1m which its shelves are filled with items to be sold.

The house was converted to commercial and residential sections by partitioning a room and by going to the woreda to issued commercial permit by the name of AtoSeyoum. The residential area is rented for 800 birr/month.

I am registered for condominium except under 18 years old members and we all are expecting to be offered a house in one of the government condominium sites to get out from this chaotic house and neighborhood. I believe on day God will make it true.

In addition to these he is mentioned the social impact of living in privately rented house

I cannot be a member of local social association [Edir,Equb and Mahiber] in my neighbourhood because housing tenure; I am not a permanent residence to participate in social association.

To minimize their housing problem the respondents employed different methods. The first method stated by the respondents is preparing common bed for their children or other household members. The second method is making small rooms through partition by using cheap materials. The third method is occupying every single space which is located around their house. These all are temporary solutions that were mentioned by respondents.

Efforts targeted at solving the housing problem of the city have fallen short of the accumulated demand. Especially housing need of the majority or the poor families who cannot afford government and private development programs is very serious.

4.3 Impact of Housing on Health and Social Relationship

4.3.1 Structural Problems in the House

Findings from the survey highlighted three major areas of structural problems i.e. rodents, no insulation/mould and rotting wood. Of these three, the first two featured more prominently i.e. rodents and no insulation/mould. The infestation with rodents is a condition where the houses swarmed with rats, cockroaches, ants and fleas. 81.3% respondents who answered this question highlighted this aspect as a problem and considered it a likely influence on the well-being of a healthy individual. According to respondents their houses structural problems have been exacerbated by overcrowding and density. These structural problems highly observed in the kebele houses than privately rented houses. Most of these structural problems are caused by low quality construction materials. kebele houses are constructed by mud (*Afere*) and iron sheet and these materials usually perish in short period of time. However the majority of kebele houses in the study area are served for a long period of time either without or with little maintenance.

4.3.2. Health in Relation to Structure and Condition of House

Added to the problems of overcrowding, the structural nature of the houses is source of another several problems. When those Surveyed were questioned whether they believed that the physical structure and condition of their homes could cause healthy people to become ill. Around 118(78.7%) percent of households were indicated that the present structure and condition of their homes at a state that could affect the well-being of a healthy person. The remaining 32(21.3%) of the respondents were indicated that they did think that their house could cause any serious health problem and most of them who included in the second group were living in private rental houses. And these rental houses relatively are good in shape than kebele houses.

4.3.3 Health Problems and Victims

Health is the essence of our life and needs sustainable precaution in daily lives. A good housing condition with adequate supply of basic facilities and services improve the health, mental and physical well-being of the individual. The impact of housing on health, negative or positive is identifiable in every possible ways, especially the negative effect is more pronounced than the positive effect.

This housing effect is especially pronounced in relation to health. Tenants living in poor or overcrowded conditions are more likely to have respiratory problems, to be at risk of infections, and have mental health problems. Housing that is in poor condition or overcrowded also threatens tenant's safety.

Saba is one of the respondents who have been living in kebele house for several years. She has four children (including three girls), the eldest aged eight and the youngest only two years old at the time of this research and living with her husband's extended family members within very small kebele house. Only one of her daughter (the oldest of all) is going to school while the rest are not in school yet. Neither Saba nor her husband had gone to school. In spite of having large family size, she has been living in a single room since she gets married. Before she became a potter, she had taken care of the household chores. However, she was not working regularly. Her husband, on the other hand, is a waiver. Saba has been married for ten years.

Her story implies that she has been living in a highly congested and crowded housing condition where she lives as a roommate or "Debal" with her husband's family members. As she stated during the interview session, her children since they were too young, were not strong enough to cope up with the congestions and more dangerously with the health problems associated with deteriorated and congested single room. She also said that her relatives and friends did not visit her frequently mainly because of lack of space in her room. She said:

"As I told you, I have four children. All are below age ten. Since the time I gave birth I spend very horrible living condition mainly because of my living room. It is a single room where the floor and the roof are not well built, especially during the rainy season it is like living in open space.

The house wasn't too clean; our house is far too cold during winter, especially with four young siblings. The floor is too dangerous for kids.

As she informed the interviewer she started the pottery business to generate some amount of money so that she will use it for the condominium pre payment with the hope that she will win the lottery and her family could live separately from the rest of the households. This is her dream for her family and children

Out of 150 respondents 118(78.7%) of the respondents are indicated that their housing condition is causing different health problems. After this the respondents were asked to mention the major health problems caused by their bad and inadequate housing condition. The majority 67(44.7%) of the respondents have stated that respiratory problems as a major health issue. 22(14.7%) and 23(15%) of the respondents indicated lack of sleep and other health problems such as anxiety; injury from accidents and fires, hypothermia, skin and eye irritation, and general physical symptoms. The rest have stated wheezing and asthma as a major health problem caused by their situation.

On the other hand the research was assessed about victims of these health problems that were caused by bad or inadequate housing situation. Children living in bad housing are disproportionately more likely to suffer from poorer general health, poorer respiratory health and asthma.

Table 4.11 Cross-tabulation of respondents by type of health problems and victims

Type of health problems caused by housing condition	Victims of health problems caused by housing condition		
	Children and Women	Adult	Total
Wheezing	0	2	2
Asthma	4	0	4
Respiratory problem	57	10	67
Lack of sleep	11	11	11
Others	16	6	22
Total	88	29	118

Source, own survey, 2016

As table 4.10 indicated that the enormous majority 88(58.6) of the victims are children and women and most of them 57(38%) are sickened by respiratory and related disease caused by their bad housing. Most of the women and children are spent a large amount of their time at home and that makes them more vulnerable than other household members. The remaining small amounts 29(19.3%) of the respondents were male adults and they were sickened by respiratory diseases and lack of sleep.

Poor ventilation and density in my house cause the asthmatic person to constantly have asthmatic attacks. And make us easily vulnerable to transmitted disease.

Housing units in the study area were structurally poor, unattractive and overcrowded, inadequately supplied with services and poor environmental qualities. This could be serious case of health problems especially in low-income groups. This could make people suffer from common cold, malaria including the above cited ones. These problems become serious during the summer season due to leaking of roofs and damping of the environment with the absence of sewerage system that drains the stagnant water.

4.3.4. Social Impacts of Bad Housing

According to the findings of this study, most of the respondents who participated in this study have engaged in certain form of conflict with their neighbours because of their housing condition and they believed that their housing could affect their social integration with their neighbours. This respondent's have stated different reasons for their conflict which could be summarized as follows.

- Competition for any free space or expansion was the major reason for conflict in most of neighborhoods in the study area. According to the respondents either it is small or large they would engage in conflict because of their desperation.

- utilization of common utilities such as toilets, kitchen and ditches were also another major source of conflict mentioned by respondents
- Conflicts because of house borders. Particularly this reason of conflict highly observed with kebele houses. Because the residents do not know where their house border is end

In related to the social impact of housing the research had assessed the perception of the respondents about its effect on their social life. Their responses are different in terms of their tenure. According to the respondents who lived in privately rented houses, their social life is totally affected by the housing conditions. They do not have constant address and they are moving from place to place at any time. These reasons were hindered them from formulation of strong social relationship with the people living around them.

In relation to respondents those who were living in the kebele houses, the study found out that lack of enough space is affecting their social life in different way. To conduct social activities such as wedding, Edir, and festivities they need enough space to accommodate everyone. However lacks of space deter them from doing these properly. Generally, standing from the study result one can conclude that bad housing or inadequate housing is a major threat for social cohesiveness of poor neighbourhoods in the study area.

4.4 Future to Get a Better House

The objective of this segment is to present, interpret and discuss the result of the analysis of the last segment of the survey and this chapter generally concerned about the future prospect of respondents about having private house, their option of houses, and their thought about being a beneficiary of condominium.

The other respondent is a 47 years old woman and she has been living in this house for 43 years which is over two third of her life. She has learned basic school education. She is a house wife managing a household of seven members. They have four children and one grandchild. Their firstborn is 33 years old and works in construction, their 2nd daughter is 29 years old and lives and works in an Arab country, their 3rd child is a 27 years old male who has finished 11th grade and now works as a day laborer in construction. Their last child is a girl who is 14 years old and is in 7th grade in Belay Zeleke school. Their grandson is four years old and in kindergarten at New Vision School. According to her, they have an average income of 1300 birr/month. They have one Eddir called NeganKokebEdir which they paid 10 birr per month.

She is informed to the interviewer the house has no compound used for only residential purposes. Because they didn't have a compound, they are using the front of their house for washing cloth and drying, and used the open space beside them for drying spices and grain. As she is stated this situation most of the time led them to conflict. She explained this:

We have lived so many years in this neighbourhood and we know each other very well. There is good social integration between us but from time to time our relationship facing problem because of different conflicts.

In order to illustrate a case about the problem with shared utilities she, furthermore added.

We had shared toilet which is made out of iron sheet wall for the exterior and interior, and the floor material is cement. It has no ceiling and the roof is made of corrugated iron sheet.

4.4.1 Prospects for Adequate Housing in Addis Ababa

Housing, one of the most basic needs of mankind, is a very comprehensive term implying not only shelter but also various social services, which enhance the quality of living. However, the large increase of population due to improved health and medical services contributed to the increasing demand of shelter all over the world. It is possible to say that the gap between population and housing stock growth is becoming wider and wider. This is because population in the third world growing at geometric ratio, while the house stock grows at arithmetic ratio. In other words, the population demands of housing grow faster than the supply for applicants.

According to the survey result 87(58%) of the respondents believe that they will have their own house in Addis Ababa. However the remaining 63(42%) of the respondents believe that they will not have their own house in Addis Ababa. Even if these respondents had registered for condominium housing program, they have pessimistic view about their future. They have mentioned the reasons forced them to take this stand. These are:-

- The price to get a land for housing is very remotely incompatible with their income. According to the data obtained from Addis Ababa housing construction and development agency, even the condominium housing program which is intended for the lower income residents of Addis Ababa, 10/90 program is asking 1910 birr per M².
- Even though someone getting land to construct house, the cost of construction materials are very expensive for them.
- Respondents become frustrated with the kebele bureaucracy and its complication. Most of the respondents were going to kebele and sub-city to get permission for renovation.

However, the officials working there and the system make them to come repeatedly to get answer for their request.

It seems that their job is making us go to their office repeatedly by mentioning different reasons. Therefore I do not want to go there again.

- Respondents are frustrated with condominium housing program even if they had registered. 63(43%) of the respondents had negative thought about having house in Addis Ababa. Most of them are waiting condominium for the last 11 years and the government could transfer only 143210 homes for beneficiaries out of almost 1million applicants.

Most of the respondents were considering the towns that are located around Addis Ababa as a better option to have their own house. There are twelve towns those are located in Oromia Special Zone Surrounding Addis Ababa which includes Burrayu, L/Tafo, Sululta, Dukem, Sebate, Sendefa, Holeta, AlemKetema, AlemGena and Galen. Relatively the housing market and the price of land are very cheap in these towns than Addis Ababa .In addition to that there is sufficient transport availability to enter and leave Addis Ababa at any time easily. This all reasons and Addis Ababa housing market expensiveness forced most of the respondents to consider this option. The researcher has found that large amount of people from the study area were moving from Addis Ababa to Sululta town either by construct their own houses or by renting houses. It is located between 20-30 kilometers away from north of Addis Ababa and it is close to the study area. According to respondents the price of land and housing rent has very significant difference with Addis Ababa. One of the respondents has said that:

I have two daughters in the Middle East and I have asked them to send me money to buy some plot of land in Sullulta to construct our own house. I used to spend their money on household expenditure but now I am saving the money for the house. I have got this idea when my neighbor had constructed the house in Sullulta.

4.4.2. Options to Have Adequate Home

The study has tried to know the option respondents could have. The result indicated that almost all respondents are considered condominium as their option to have adequate house for the time being. According to them, construct or buying house from real estate's is unimaginable options because of their economic incapability. Even if almost half of the respondents thought they cannot have their own house in Addis Ababa, they assumed condominium as a realistic option from all their choices. Even though, condominium becomes the only alternative for urban poor's to have adequate housing, the situation is not going as per their wish. The remaining 10(6.7%) are considered another option.

A better housing condition is not obtained only through the production of new dwelling units and provision of services, but also through frequent follow up and maintenance. It is well known that the existence stock would soon deteriorate beyond repair, unless the individual household's government and other concerned bodies made necessary effort to maintain them. It has been prevailed as a result of inadequacy of income to repair house or to support a large families.

Table 4.12 Frequency and Percentage distribution of respondents by their housing options

Housing Options	Frequency	Percent
Condominium	140	93.3
privately construct	4	2.7
Others	6	4.0
Total	150	100.0

Source, own survey, 2016

4.4.3 Trust on the Condominium Program

The other important issue that was included in this study was finding out respondent's perception about the ability of government to provide adequate housing for them. The data indicated that enormous majority 101 (67.3%) of the respondents thought that government is either not capable of giving them adequate housing or it would take many years. The remaining 49 (32.7%) respondents thought the government has the ability to provide them with a house but they are much concerned about the pace of distribution. respondents provided three major reasons for their doubt about government ability to provide them with a house.

- The pace of construction and distribution is slow when it is compared with the number of applicants and their desperation.
- Most of them are waiting for the last 11 years for condominium but they did not get it yet.
- They had some reservation about the transparency of lottery draw. One of the participant has said:

I was registered during the 1997 E.C (2005) registration. When I was registered I was single but now I am married and I have two kids. In the last 11 years I have seen so many things in this world except my condominium. I think 11 years is so many to do better than this.

The other one further added that:

I was doing better in economic terms when I was registered before 11 years. But now I am not economically stronger and I am old. Therefore it is unrealistic for me to wait for government for many additional years to get a house.

With regard to being a beneficiary of condominium the respondents stated their perception. As indicated in the above table 90(60%) of the respondents are having fear for not to be beneficiary even if they get the house through lottery method. And the remaining 60(40%) of the respondents did not have such fear.

Table 3.13 Distribution of respondents by their perception about government ability and their fear not be beneficiary

Government ability to provide you better house	Fear of the respondents about not to be beneficiary		Total
	Yes	No	
Yes	15	34	49
No	45	56	101
Total	60	90	150

Source, own survey, 2016

According to the former group they had several reasons to fear. The first one is the hardship of the financial and related regulations of the program. The second one is volatility of respondent's livelihood and its declining from time to time. The third one is volatility of politics and policy of government. One participant of this study stated its fear as follow:

The future is not in my hand .So I cannot control my ability to have a house totally by myself. Therefore I have a fear of not to be beneficiary.

4.4.4 Source of Finance for Housing

Majority 88(58.7%) of respondents are considered bank loan as their financial source to cover their condominium expense. This result is found because in the latest registration the government has created a link between bank and applicants. The applicants expected to save some amount of money to be eligible candidate for the lottery. Next, 35(23.3%) of the respondents are considered to get money from their family and friends if they get the house. A significant number of the respondents of this category had at least one daughter in Middle East Arab countries. The third group of respondents are preferred their private saving; however the rest of the respondents were stated that they considered other source but declined to tell their source.

In relation to finance, the respondents have been requested about their perception on the financial regulations of condominium housing. The respondents were emphasized on four financial issues and they are presented as follow:

- According to most of the respondents, the pre payment of condominium housing is becoming expensive from time to time. It is created more pressure on them and narrowing their chance to get condominium.

When I was registered the pre-payment was easily achievable. Now after 11 years the pre-payment become expensive and challenging for me.

- All of the participants are confirmed that the total price of condominium is expensive according to their income.
- According to study result for most of the respondents, saving on a monthly basis is challenging but they cannot stop because of different mandatory regulations. Particularly the rule i.e. if the applicants cannot save twice for three consecutive months in a year they will be cancelled from the program.

Chapter Five

Condominium Housing in Addis Ababa

Background

Housing has been universally accepted as one of the three essential human needs besides food and clothing. According to UN Habitat (2010) 80% of the Ethiopian population lives in sub-standard slum housing that needs either complete replacement or significant upgrading. This indicates presence of massive demand for serviced, healthy and affordable housing. The demand for housing emanates from both the accumulated housing deficit and poor quality and of existing dilapidated Kebele housing stock that is beyond repair. These Conditions go from bad to worse due to existing Kebele regulations that prohibit the maintenance of Kebele houses and prevailing poverty and financial problems of the dwellers.

The majority of kebele house in Addis Ababa is below qualitative (the material they made, width and service and their structure) standard and lack adequate space. The extent of provision for water supply, electricity, and drainage is very minimal. The lives and health of people living in housing of such poor quality and with such inadequate provision for water, sanitation, and drainage are under continuous threat. However, these residents cannot renovate their houses because of different rules such as:

- The residents need to poses residence registration to get permission to renovate their house.
- The residents are forced by the regulation to utilize similar materials to the building materials used in their old and deteriorated house. This means the residents cannot use improved building materials for their house renovation.

- According to the renovation regulations the residents are not allowed to ask the kebele for financial benefits or compensation if the kebele asked them to leave their house after renovation for any reason and they will verify this by signing an agreement.
- They cannot expand the area of their houses from the original area before the innovation. Respondents indicated that this regulation restricted house owner from expanding their house according to their demand.
- The kebelles would not force to renovate the houses under their control but at the same time they put very strict regulation for renovation.

All these regulations are included with in the kebele houses administration proclamation and kebele administrations are mandated with the responsibility to carry out these proclamations. The complication of theses regulation is exacerbating the housing problem.

5.1 Profiling Condominium in Addis Ababa

The Integrated Housing Development Program (IHDP) targets only middle and lower income households. The government's objective, in terms of housing for upper middle and upper income households, is to ensure adequate provision of and access to appropriately planned and serviced land, mortgage finance and a supporting legal and regulatory framework for condominiums, cooperatives and housing finance.

The purpose of constructing condominium housing in Ethiopia is to enable low-income urban dwellers to acquire homes of their own. *Through which alleviation of urban poverty by the participation of micro and small enterprises and creation of employment opportunities in the construction sector which can absorb more labor force, changing the image of the city so as to*

meet international standards, transfer of knowledge and skill to the construction industry, promoting cost efficient housing construction technology, empowering citizens of the city through ownership of houses and tenure security(AAHCDB,2005).

The registration for condominium housing applicants in Addis Ababa was conducted twice. The first was conducted in 2005 and the latest one was conducted in 2013. During the first registration it was conducted simply based on classification of applicants in terms of their demand. There were four options for applicants in terms of their ability and demands.

1. Studio: one small room with kitchen and toilet.
2. One bedroom: this has one bed room, kitchen, living room and toilet.
3. Two bedrooms: this has two bedrooms than with kitchen toilet and living room.
4. Three bedrooms: it has three bed rooms with living room, kitchen and toilet.

By taking some socio economical and spatial issues into consideration the government was organized for the second round registration in 2013. Within this registration the government has created three types of housing programs according to applicants and it's financial contribution (10/90, 20/80, and 40/60) and this let the applicants to register for houses according to their economic ability. According to the report obtained from Addis Ababa city housing construction and development agency over 994788 applicants were registered for those three housing programs.

Table 5.1 Number of applicants for condominium housing

No	Applicant type	10/90		20/80	
		Male	Female	Male	Female
1	Old	-	-	47390	91486
2	New	13751	10421	291092	381829
3	Total	13751	10421	338482	473315

Source, AAHCDB

The table 3.29 has included only the number of applicants who were registered for both 10/90 and 20/80 programs only. Totally almost 1 million people have applied for the government housing program. The number therefore is a total of both registrations.

5.2 The Commencement of Housing Project

The project office started its activities in 2004(1997 E.C) by constructing 750 model houses around Gerji. Until the end of 2015(2007 E.C) over 270,621 houses were constructed and under or undergoing construction. The following table shows the commencement and progress of the housing construction in Addis Ababa between the years 1997-2007 E.C.

As indicated in the table 3.30 the program was started ten years ago. Since then the program is underway. The numbers of houses which are constructed by the program are steadily increasing. In the first five years the Addis Ababa housing construction project offices has constructed 81,266 houses. But in the next five years 189,355 houses have been constructed or under construction

. Table 5.2 Number of houses under construction and transfer houses

No of rounds	The year the construction was started (Ethiopian Calendar)	Number of house
1	1997-2002	81266
2	2003	17177
3	2004	44876
4	2005	33726
5	2006	52245
6	2007	41331
Total		277621

Source, AAHCDB

5.2.1 Compatibility of Demand and Supply

According to Addis Ababa housing construction and development agency there are roughly 1.5 million housing demand and almost 1 million people out of this rough estimation expressed their demand by applying for condominium housing program. Even, if one takes the actual number of applicants for condominium housing, one can understand the huge gap between government supply and public demand. In both programs (10/90 and 20/80) there are 835,959 applicants. One also needs to consider and put into account the residents of Addis Ababa who were hindered from the registration because of several reasons. When one considering these all things while

evaluating the result of condominium housing one can understand or conclude that there is a huge gap between demand and supply of housing.

These situations contribute to a large amount for the expensive housing market in Addis Ababa. The role of informal housing agents “*Delala*” making condominium houses a new hot sphere for their boundless housing market. In Addis Ababa the housing market is not ruled by law rather it is led by “*Delalas*”. Because of that the condominiums are becoming prestigious in terms of their inflated price and their relative adequacy. Renting out condominium housing becomes prolific sector because of the unmet housing demand. In addition to this internal migration to Addis Ababa from different part of Ethiopia make the housing market more expensive than any time.

Table 5.3 Comparison between demand and Supply

Demand /total	Supply/ total
835,959	143,210
Demand / year/average	Supply/ year/average
83596	14321

Source, AAHCDB

The second segment of table 3.31 indicates that in the last 10 years there were 83596 demands for houses in average at least from both programs each year. However, the government was able to provide an average of 14321 houses each year. By taking 10/90 housing program as an example one can understand the huge gap which exists between the housing demand and supply.

For the last three years (2005-2007 E.C) 24172 applicants were waiting for 10/90 program houses. However, the government provided 960 houses only in the last round lottery. All of the applicants in this category are having lowest economic capacity. Therefore if the government continues at this pace it will take many years to provide house for 10/90 housing program applicants.

The difficulties faced by AAHCDB could be categorized into two broad categories. These are pragmatic and policy related difficulties. According to the officials of the bureau the major pragmatic difficulty faced by AAHCDB is corruption. It is component of the condominium housing system since the inception of the program. According to officials from AAHCDB who responded in the interview mentioned that corruption is wide spread in the Program due limitations or absence of proper control or organized financial management system and monitoring mechanism. In addition to this major problem the officials have stated other pragmatically difficulties such as poor workmanship, Inferior quality caused by contractors and rework.

With regard to policies also the government has faced different difficulties. First the Ethiopian Government position is to undertake the construction of condominium houses for low and middle income earners by itself including shouldering the burden of finance although beneficiaries are required to cover the cost after the construction is completed. Second the government is a sole promoter and implementer of the condominium houses starting from Initiation of the project, preparing and approving designs, fixing of prices for all inputs and Outputs, selecting contractors, consultants, training, organizing and managing the

implementations and transferring of houses Government does not seem to transfer or share some of the tasks to private sector. Third setting prices for construction inputs, construction works and houses. It has become a common practice to hear the prices of houses today for the houses planned to be transferred to beneficiaries after five years. With this in mind the government fixes prices of inputs, unit rates for construction works and consultancy services.

5.3 Allocation and Distribution of Condominium Houses

Basically, condominium houses are distributed for individuals who win lotteries and displaced from their houses for renovation/regeneration programs. Both groups are expected to pay 20% of the total price of the house as down payment and sign loan contract agreements with CBE for the balances. The criterion equally applies to both groups without any preferential conditions for those who have been displaced from their houses for renovation and development purposes. If the displaced individuals who are living in Government owned Kebele houses fail to pay down payments, they will be transferred to another Kebele houses.

The IHDP states that priority will be given to women registrants in which only female applicants will draw lottery for 30% and government civil servants will draw 20% of the housing stock made available for distribution. In addition, they will be given equal chances with male to compete for the remaining 70% draw. The results of the draw posted on the Newspapers show that more women were on the list than men. Condominium houses were distributed when they are about 80% completed, additional costs necessary for finishing purposes or cost of maintenance are born by the beneficiaries. This would create a burden on beneficiaries when it is combined with rule which forces the applicants to leave their house within 30 days since the lottery is draw.

Table 5.4 Number Houses transferred for beneficiaries in 10 rounds

Rounds	House Type				
	Studio	One bed room	Two bed rooms	Three bed rooms	Total
1 st round	4118	5677	6548	2645	18988
2 nd round	2592	5077	6263	1106	15031
3 rd round	2695	3679	3626	735	10735
4 th round	2797	6755	4108	1372	15032
5 th round	3088	4719	2028	934	10769
6 th round	1255	4467	2747	1531	10000
7 th round	2952	3594	433	321	7300
8 th round	1326	4665	2952	1155	10098
9 th round	2570	4423	2330	934	10257
10 th round	6734	15670	7309	4327	34040
Total	30127	58719	38344	15060	142250
10/90	The number of houses included in the 10 th round				960
Total					143,210

Source, AAAHCDB

The last three years(2005-2007 E.C) results of the condominium housing development reports indicated that 10,630 studio houses , 24,758 one bedroom house , 12591 two bedroom houses and 6416 three bedroom houses have been constructed and transferred to beneficiaries since 2013(2005 E.C). Besides, these if one see or evaluate the 10/90 program which is intended for

remotely poor residents. In the last three years the government only transferred 690 houses from 24,172 applicants. If the government continues in this pace it will unfortunately take several years to address the housing demand of 10/90 applicant's leave alone the remaining. The system denies the opportunity of the poor.

The program was intended to provide a house for urban poor's by using different means which could make them capable of being beneficiary. However, after some years this objective of the IHDP changed in to providing houses for urban dwellers, those who could afford and met the requirements of the program. Because of internal and external factors IHDP becomes vulnerable for different unexpected and unanticipated problems and these problems forced IHDP to evolve from its initial objective. In general, one can concluded that from time to time IHDP excluding urban dwellers those who cannot meet requirements imposed by the program and the bar of these requirements increasing from year to year.

5.4 Major Financial Resources Contributors

As per the interviews conducted with the AAHCDA officials, the major financial source for construction of condominium houses are bonds issued to Commercial Bank of Ethiopia by Regional Governments or City Administrations. The bonds are expected to be paid within five years. The 2nd source is budget from the Regional Governments and City Administrations which is used to cover administrative costs like employee's salary, office equipment, shades, and other costs normally related to housing construction projects. The fund from the bond is used only for construction related expenditures and administrative costs are covered by the budget.

In response to the same question, the majority of employees of Addis Ababa Housing Construction Project Office confirmed the above mentioned sources, but added owners contribution as a third source i.e., finance generated from house owners in the form of savings or down payments. According to IHDP total finance secured up to June 30, 2014 for housing development program from selling of bonds including interest has reached Birr 31.33 billion (Birr 27.96 billion bond sale and 3.37 billion interest). Of this balance, significant amount (21.2 billion) has come from the sale of Bonds by Addis Ababa Housing Construction Project Office.

Out of the total bond sale of 31.33 billion, Birr 13.05 billion was repaid by Regional Governments or City Administrations; or the bank has collected the loan from beneficiaries or entered into contract with beneficiaries until June 2014. This leaves an outstanding balance of Birr 18.28 billion or 58.3%. With regard to payments, Amhara and Harari have repaid 100%, followed by Dire Dawa (92%), SNNP 76.6% and Tigray 75.2%. Compared to Regional Governments and other City Administrations the amount repaid by Addis Ababa City Administration was very low (31.1%). This indicated that there are financial impropriety and lack of commitment to collect public finance from different stockholder in IHDP. This situation would affect the capability of the program to maintain the pace of the program.

5.5 The Terms or Conditions for Register and Benefit

To benefit from the housing development program/own a condominium house, the Addis Ababa housing Construction Project Office has set the following terms and conditions:

- The beneficiary should be at least 18 years old,
- She/he should not own a house/land and should not have sold a house/land before,
- lived in Addis Ababa for more than 2 years, and

- She/he should pay 20 percent or more of the price of the house immediately at once and sign a contract with Commercial bank of Ethiopia for the remaining amount. But, currently, due to change of policy, the registrant is expected to deposit monthly the minimum amount required depending on the topology of house they registered for, in a specially designated account with CBE until it reaches from 10%–40% of the estimated value of the house within two to seven years. (for example in 20/80 program for those already registered in the previous registration program should deposit monthly for three bed room Birr 685, for two bed rooms Birr 561, for one bed room Birr 274 and studio Birr 151 for five years). For the new registrant Birr 3957 for three bed rooms, Birr 2728 for two bed rooms and Birr1292 for one bed room for seven years and there is no studio type in this program.
- If the applicant gets the lottery, the applicant should leave his/her house with in 30 consecutive days since the lottery draw.

The financial rules and regulations of the condominium housing program are difficult for poor residents of Addis Ababa. According to the information obtained from the above table for 10/90 program houses the applicant should save 553 birr each month to fulfill its responsibility. When the applicants get the lottery in 10/90 housing program they should provide 20 %(7034) with in 60 consecutive days since the lottery draw. And they should pay 553 per month for five up to seven years to finish their total payment (70335). This indicates the difficulty of financial rules and regulation of the condominium housing program and the price stated to transfer 1m² is 1910 on 10/90 program and it will increase from because of the inflation of construction materials price.

Table 5.5 Financial rules of condominium housing

House type	10/90	Studio	One bed room	Two bed rooms	Three bed rooms
Monthly bank payment (included interest)	553	677	1292	2728	3957
Total bank payment for single house	63302	74075	140420	263575	381457
Pre payment (20%)	7034	18519	35105	65894	953364
Total price of single house	70335	92594	175525	329469	476821
Transferring price/M ²	1910	2483	3438	4394	4776
Average size/M ²	36.82	32.31	51.05	74.99	99.84

Source, AAHCDB

In addition to this, according to the information obtained from Addis Ababa city housing construction and development agency officials if the applicant stop their saving for six consecutive months and fail to pay pre payment they will not be beneficiaries of the housing program. What make it worse is that according to the article which is stated in the registration

form, if the applicants fail to be benefited from current housing program because of their inability to abide the rules and regulation of the housing program, will not be considered in the next housing programs that will be presenting by government. This means that the low income or the poor residents of Addis Ababa have only one shot to get adequate house or the resource of their city through house.

One can generalize that the Program's objective of providing housing for low income group is not fully attending. Interviews conducted with some of the officials in IHDP indicate prevalence the problems in the first registration process. Clear registration criteria were set for applicants in the second round. However, some people who did not fulfill these criteria i.e. person who owns a house and/or land have benefited from this program. According to interviewees, this was discovered later after the distribution of houses to individuals indicating that those who have the capacity to invest a huge amount of money also benefited more relegating aside the targeted poor. Because there was not any established system to differentiate those who have houses in their names or spouses from those who have not. The second reason is corruption which has been the main challenge of the housing sub sector.

According to latest counting report of Addis Ababa housing construction and development bureau that has found 3231 condos open out of counted 103532 condos. According to the office these idle condos were supposed to transfer to residents who vacated their homes for reconstruction purposes. In addition to this the office has found out different miscarriages such as:

- 1000 people were found living in public houses while they have condominium houses.
- 98 houses occupied illegally by their residents in recent verification exercise. The occupiers allegedly simply broken in to seemingly vacant house and continued to make a living by renting the flats.
- One person had 10 condos by his name and he got most of them by the help of AAHCDB officials illegally
- According to the report AAHCDB workers also were involved in this misconduct and it is indicated how much it is corrupted.

As a solution for these problems, IHDP is now strengthening its data registration, management and processing system. In addition, it encourages people to give information about people who own a house/land and benefited from the ownership of condominium houses.

5.6 Repayment of Loans by Beneficiaries

According to the information obtained from Addis Ababa city housing construction and development bureau officials most of the winners are not paying full values of the houses. This means Commercial Bank of Ethiopia has to collect payments from both beneficiaries and the city administration. So far, the bank did not foreclose condominium houses of loan defaulters; it only communicated or reported the case to sub cities where the condominium houses are constructed. It is evident that Bank has to get back its money from the borrowers (Regional Governments, City Administrations and beneficiaries) in one way or another. However, before taking foreclosure measures on defaulters of condominium housing loans, the Bank has to discuss the issue with the Government regarding the social-economic, income and political impacts of the foreclosure measures.

Chapter Six

Conclusion and Recommendation

6.1 Conclusion

Housing is one of the most basic needs of human kind. It is a very comprehensive term implying not only shelter but also various social services, which enhance the quality of living. As a result, many writers have confirmed that it is one of the main indicators of urban poverty in most their world cities since a sight of hundreds or thousands of people huddled in low quality (shabby) accommodations with a minimum of servicing is now increasing.

Critical housing shortage is one of the biggest problems which characterize study area. The neighbourhoods are lacking in basic infrastructure services and a means of social consumption, had limited means of public transportation, and were subject to different problems, etc. This in turn affected residents' socio cultural identity, created tension, uncertainty, social disconnection and deterioration of living conditions, all due to the forced uprooting

Furthermore many of the dwellers in the study area have low income, and socio-economic characteristics of the dwellers showed stagnation in their living conditions. Hand in hand, most of the residents relatively have low educational status and engaged in lower income generating jobs, which may guarantee a constant or lower income earning. This is because of financial constrain which restricted them from repairing existing houses and building of the new housing units.

The materials out of which the houses were built were the major factors for the deterioration and poor quality of houses. As indicated in chapter four most of the houses are built out of wood and

mud and part of the houses have earthen floors. The other problems are inadequacy of the community services like water supply, sanitation situation, and the like.

Kebele houses are public housing which is administered by the government to provide affordable rental housing. From the houses observed and questioned the housing conditions are in poor condition. They are made of mud, they have a shortage of space, they are old, the roof leaks, the material used is not durable, they need maintenance, and during the summer the houses have flooding problem as well. Because of this tenants who are living in them have poor living conditions. From the study it is found that tenants would like to work with in the neighborhood and get a means to live within the neighborhood. They have a strong social network when we see how much Edir and Equb they have and for how long they stayed within the neighborhood.

The thesis has also identified other themes, which have influenced the housing situation of Addis Ababa. One of them has been the correlation between an unaffordable housing market and inference of overcrowding households. Addis Ababa's ever increasing housing market continues to rise to the extent that it has simply exceeded beyond the reach of low income earners and even some middle income earners as well.

Respondents explained the dissipating effects of crowded households in terms of unhealthy living and eating, as well as tension and lack of privacy for all tenants. This has a harsh effect on the general health and well-being of its tenants, with the likely possibility that the spread of illness and disease would be expedited. Such infirmities include the spread of a wide range of common respiratory and infectious diseases, skin infections and more serious ailments such as meningococcal disease, rheumatic disease, Asthma and tuberculosis.

Acute shortage of residential housing is evident in the study area with most of low income earners the population resides in the slums. Rent charged and housing market price has increasing at alarming rate because several social, political and economical. Land for housing development has become scarce and very expensive. Growth of informal/slum settlement is evident on public land and houses. All these reasons are marginalizing lower income residents from opportunities and profits of their city.

Housing project which is formulated by government and intended for Addis Ababa poor's is not affordable due to several reasons such as the pre payment is very expensive; the amount monthly saving is expensive. For most and important the total price of condominium housing is very expensive and it will expect to increase. Therefore housing program is a burden for lower income residents of Addis Ababa. The delay of government to construct and transfer the house exacerbating the problem led people (lower income residents) to leave the program, particularly those people who applied during the first registration.

6.2 Recommendations

- Because, both housing shortages and the poor conditions under which the dwelling were found were the immediate problem of the studied area; it seems more economical and feasible to maintain and improve them. And in the long run, the introductions of low cost housing units seem to be imperative to minimize the shortage of dwelling.
- Government bodies ought to focus in the construction of low cost dwelling as much as possible as the majority of the applicants are found in the low-income category.

- Any effort to alleviate the problems that were related to housing facilities must also target the poor households since they are the most vulnerable sector of the society due mainly to their low and unreliable incomes.
- It has to devote resources to upgrade safe water supply, sewage system etc. together with the improvement of other infrastructure facilities and services for poor residential areas.
- The government must try to bring down price by improving policy and implementation. Furthermore the government should reduce the cost or price of house to make it affordable poor's.
- The government should identify and coordinate domestic and foreign NGO's and enable the public and private sectors to help the impoverished and thereby ameliorate the problems of housing and housing facilities.
- In order to achieve the objective of affordable houses for low income people the government should support the applicants' registration process with information technology based system and should integrate this with the housing and land registration systems. This can filter the data and reduce the loophole in the distribution system.

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Questionnaire

01.Woreda	02.Kebele	03.House number

Part One: Demographic Characteristic and Socio-Economic Status							
Relationship to the head of household	Sex	Age	Ethnicgroup	Religion	Literacy status	Is currently attending School?	Highest Grade completed
1.Head	1.Male		1.Amhara	1.Orthodox	1.Literate	1.Yes	1. primary
2.Spouce	2.Female		2.Oromo	2.Catholick	2.Ilitirate	2.No	2. high school
3.Son/Daughter			3.Gurage	3.Protestant			3. diploma
4.other relative			4.Tigre	4.Muslim			4. Degree and above
5.Non relative			5.Others specify	5.Others			
04	05	06	07	08	09	10	11

Place of Birth	Years lived in Addis Ababa continuously	Marital Status	Number of Children		
			Male	female	Total

1.Addis Ababa 2. Other Urban 3.Rural		1.Never married 2.Currently married 3.Separated 4.Divorced 5.Widowed			
12	13	14	15		

Employment Status	Type of Occupation	Current work place	Monthly income	Source of income	EstimateMonthly expenditure
1.Permanent Employee 2.Temporary Employee 3.Self employed formal 4.Self Employed an informal 5.Homemaker 6.Un paid family Worker 7.Student 8.Unemployed 9. Other specify -----	1.Office work 2.Service work 3. Trade 4.Technical 5.Solider 6.Casual 7.Daily labour 8.Elementary Occupation 9.Other Specify -----	1.In the house I live in 2.No fixed work place 3.In the near by kebele 4.Outside Addis Ababa 5.other specify -----	1. <100 2.101-500 3.501-1000 4..1001-1500 5.1501-2000 6. >2000	1.Salary 2.self employed formal 3.self employed informal 4.House rent 5.House rent and salary 6.Pension 7.Support from relative 8.6 and 7 9.Other specify -----	1. <100 2.101-300 3.301-600 4.601-900 5.901-1200 6. >1201
16	17	18	19	20	21

Years lived in the kebele	Social Participation	Friends and Neighbors who live here and can you count on when you need them	Mutual help among friends and neighbors
	1.Idir 2.Equb 3.Mahiber	1.All 2.Most 3.A few 4.None	1.Much more help 2.Little more help 3.Little less help 4.Much less help
22	23	24	25

Part II: HOUSING CHARACTERISTICS

26. Type of house?

A. Ye Chika House

C. Apartment

B. Bungalow

D. Single room

27. House Material?

	Concrete	stone	Iron sheet	tiles	timber	Other specify
Roof						
Wall						
Floor						

28. How many bed rooms do you have in your house?

1. One 2. Two 3.Three 4.Four 5. More than 5 bed rooms.

29. How many persons live in this apartment?

1. Two 2. Three 3.Four 4.Five 5.More than five.

30. Where is your kitchen located?

1. within the building 2. Detached from the building 3. No Kitchen

31. How is the use of kitchen?

1. Exclusively used by your family 2. Shared with other families

32. Identify as many spaces as you require that are not provided in your house?

1. Space for Shop 2. Storage spaces 3. Visitor's toilet 4. Guest room
5. Laundry 6. Outdoor cooking space 7. Others, please specify-----
-
-

33. What is the type of tenure of the house you are occupying?

1. Privately rented 2. Family owned 3. Owner occupied 4. Official quarters ()
5. Free Occupation 6. Others, Please specify-----
-
-

34. If owner occupied, how did you acquire the ownership of the house?

1. Bought directly from the developers 2. Bought from previous owner (s)
3. Government Allocation 4. Mortgage arrangement ()
5. Gift 6. Others, please specify-----
-

35. In your opinion, the conditions for acquiring/ and or rentage of the house are

1. Very Stringent 2. Stringent 3. Less stringent 4. Not stringent ()

36. In your opinion, the cost of acquiring or renting this house can best be described as

1. Highly Unaffordable 2. Unaffordable 3. Affordable 4. Highly affordable ()

37. What is the predominant source of water supply in your apartment?

1. Water vendors 2. Wells outside the building 3. Borehole within the estate
4. Public water supply system 5. Others, please specify-----

38. What is the main source of power supply in your house?

1. Personal Power Generating sets
2. Power Generating Plant in the estate
3. Solar Panels
4. Public Power supply
5. None
6. Others, please specify-----

1. Residents 2. Contractors 3. Estate Managers 4. Government agencies

1. Individual residents 2. Estate Agents 3. Tenants' Association
4. Owners of the estate 5. Government agency 6. Others, please specify-----

1. Yes 2. No

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[illegible]

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45. What type of solutions do you consider to solve the problem permanently?

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Part III: Poor Housing Impact

46. Do you have any (structural) problems with your home? (I.e. mould, dampness, insulation, infestation of rodents such as, rats, ants, cockroaches etc....)-----

47. Does anyone in your household suffer from a medical condition caused by your housing condition?

1. Yes

2. No

48. Is anyone from your household affected by one of the following health problems because of your housing condition?

1. Wheezing 2. Astma 3. Mental illness 4. Lack of sleep

49. Who is more frequently suffering medical problem and why?

1. Children

2. Adult

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50. Does the condition of your house affect those who suffer from a medical condition?

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51. In your view, does the condition of your house cause those who do not have a medical condition to become ill?

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52. Did you have conflict with your neighbors because of your housing? And what is the reason?

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53. Do you think your social life affected by your housing condition?

Part IV: Future Prospect

54. Do you think you can have your own house in Addis Ababa?

A. yes B. No

55. Why do you think like that?

[illegible]

56. If you have a plan to get a better house in the near future which means do you consider?

A. Government

B. Private real estate

C. By on your own

D. Any other, Please specify.....

57. Why you choose this means?

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58. Do you think government is capable to provide you a house?

A. Yes

B. No

59. Why Yes/No

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60. How do you think to finance it?

A. Own savings

B. Bank loan

C. Housing finance company loan

D. Co-operative loan

E. Non-Governmental Org. assistance

F. Family / friends

G. Others (specify).....

61. Do you think the financial rules to get condominium are difficult? And why?

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62. Do you have any fear that you will not be capable to get better house?

A. Yes B. No

63. If your answer is yes for Q.61, why?

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Interview Guide for Gullele Housing Development and Administration Office

Name of Organization-----

Location-----

Designation of the interviewees -----

1. Who are your target clients?
2. Do you think Demand for housing is greater than the current supply in Addis Ababa?
3. What exactly is your organization's mandate in public housing provision under the present administration in Addis Ababa?
4. What human resource capacity is available in your organization to realize this housing mandate?
5. How will you rate your staff morale and attitude to work?
6. Is the level of physical infrastructure in your organization adequate to support your housing mandate?
7. Is there an adequate budgetary allocation from the government for your housing projects?
8. How is the disbursement of the funds carried out?
9. Apart from allocation from the government how else do you source funding for your housing projects?
10. What housing strategies do you adopt in the implementation of your housing programmes?
11. What are the rationales for adopting these housing delivery strategies?
12. Who are the participants in these housing delivery strategies?
13. What process management practices exist in your organization in the public housing delivery strategies?
14. What are the administrative and legal systems that affect the execution of your housing projects?
15. What are the policies in other ministries that have influence on the execution of your housing schemes?
16. Is the economic strength of the city is conducive for realizing your housing mandate?
17. What steps are you taking to increase your organizational capacity to provide adequate housing in the city?
18. Do you think your organization is capable to provide house for all low income residents of the city?

Interview Guide for AAHCDB

Name of Organization-----

Location-----

Designation of the interviewees -----

1. Who are your target clients?
2. Do you think Demand for housing is greater than the current supply in Addis Ababa?
3. What exactly is your organization's mandate in public housing provision under the present administration in Addis Ababa?
4. What human resource capacity is available in your organization to realize this housing mandate?
5. How will you rate your staff morale and attitude to work?
6. Is the level of physical infrastructure in your organization adequate to support your housing mandate?
7. Is there an adequate budgetary allocation from the government for your housing projects?
8. How is the disbursement of the funds carried out?
9. Apart from allocation from the government how else do you source funding for your housing projects?
10. What housing strategies do you adopt in the implementation of your housing programmes?
11. What are the rationales for adopting these housing delivery strategies?
12. Who are the participants in these housing delivery strategies?
13. What process management practices exist in your organization in the public housing delivery strategies?
14. What are the administrative and legal systems that affect the execution of your housing projects?
15. What are the policies in other ministries that have influence on the execution of your housing schemes?
16. Is the economic strength of the city is conducive for realizing your housing mandate?
17. What steps are you taking to increase your organizational capacity to provide adequate housing in the city?
18. Do you think your organization is capable to provide house for all low income residents of the city?

Field observation checklist

No	Lists of Observation Statements	Yes	F	%	No	F	%
1	Majority of the respondents live in the kebele houses						
2	The monthly rent cost increasing from time to time						
3	Majority of house construction materials						
4	Majority of the respondents are living in <i>bad houses</i>						
5	Government provide residential housing						
6	Quality and durability of majority of houses.						
7	There is no freedom in the rental house						