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Planning and Implementation of Affordable Housing for Socially Disadvantaged households : The Case of Yeka Abado Condominium Housing, in Yeka Sub-City, Addis Ababa

A Thesis Submitted to the Department of Geography and Environmental Studies of Addis Ababa University in Partial Fulfillment of the Requirements for the Master's Degree in Urban and Regional Development Planning

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Addis Ababa, Ethiopia

DECLARATION

I am Tefera Getachew Wolde. This is to declare that the work which is being presented in this thesis entitled with “Planning and implementation of Affordable housing for socially disadvantaged households” is my original work carried out under the supervision of Dr. Solomon Mulugeta. It has not been presented for a degree of any other university or Institute.

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Acronyms

AAHPO	Addis Ababa Housing Project Office
AAIHDP	Addis Ababa Integrated Housing Development Program
AU	Africa Union
CBE	Commercial Bank of Ethiopia
CSA	Central Statistics Authority
EHDA	Ethiopian Housing Development Agency
EP&A	Environmental Planning and Assessment Act 1979
EPRDF	Ethiopian People's Revolutionary Democratic Front
ETB	Ethiopian Birr
GC	Gregorian Calendar
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HDPO	Housing Development Project Offices
IHDP	Integrated Housing Development Program
MBA	Masters of Business Administration
MHE	MH Engineering
MSE	Micro and Small Enterprise
MUDHCO	Ministry of Urban Development, Housing & Construction
MWUD	Ministry of Works and Urban Development
R&D	Research and Development
UN	United Nation
UNDP	United Nations Development Program
UN-HABITAT	United Nation Human Settlements Program
UNHCR	United Nations High Commissioner for Refugees
UNMDG	United Nation Millennium Development Program
US	United States
USA	United States of America

Abstract

The city of Addis Ababa is burdened with both political and socio-economic activities of the country. People are flooding from all over the nation for employment, education, business and other reasons. Providing affordable houses for the rapidly increasing demand has become a challenge. It is demanding a solution more than building houses in the city. Even building houses by itself has its own bottlenecks such as gaps in project management and financial access. The integrated housing development program has brought some important insights. It was successful to some extent of its objectives. However, it lags far behind from the soaring demand of Addis Ababa residents for affordable and low-cost housing. If continues in the same way, the program won't be relevant anymore to benefit the poor and even the middle-income community members. The heavy burden of affordable and low-cost housing provision can never be alleviated by whatever good done in the city. In contrary, the investment in the city is attracting more people and hence more demand, for the vicious circle to continue. Thus, all stakeholders need to assume their responsibility for robust, integrated and nationwide effort, so as to guide urbanization for its optimal benefit. This paper analyzes planning and implementation of affordable and low-cost housing in Yeka Sub-City, Abado Condominium Housing .Addis Ababa, Ethiopia. At the end, it proposed recommendations that are drawn from the research findings.

CHAPTER ONE:

INTRODUCTION

1.1 Background of the study

We, humans, need shelter which is basic for our health and protection. It is central to our development and also to ensure its sustainability. It is our comfort zone to raise our kids, to take rest from our busy days and to recover from our illnesses. It is a very terrible thing to have no house or to lose it. According to Universal Declaration of Human Rights article 25, “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing...” But due to resource constraints, policy barriers and ill management, many people are not able to construct their houses. The same challenge is true for house providers, especially in developing countries. As a result, one quarter of the world’s urban population is living in slums and informal settlements (UN Habitat, 2015:2).

Urbanization and increase in population are raising the need for affordable and adequate housing. Estimates concerning total housing needs in Africa have been set at around 4 million units per year (UN-Habitat, (n.d.)). Currently, about 40% of the continent’s one billion people live in cities and towns; and it is estimated that in the next few years, some African cities will be home to as much as 85% of their country’s population. In the case of Ethiopia, the lion share of the youth population (50% under age 18) coupled with a population growth rate put pressure on the demand for housing. It is not just the construction of new houses which burdens Ethiopia but also due to only 30% of the country’s total housing stock is in fair condition which the remaining needs replacement. It is good to note that access to affordable and adequate house is beyond living in a box of floor, walls, and roof. The Center for Affordable Housing in Africa 2013 year book by referring a 2007 survey stated that “in Addis Ababa alone, the demand was between 35,000 and 45,000 housing units to be supplied annually for 10 years to replace the existing (70%) dilapidated stock as well as cater for new household formation. At the current rate of supply, even with the progress of government housing programs, this is

unlikely to be met, especially in the middle to lower income bands (Kecia Rust and Lucille Gavera, (ed.), 2013).

Ethiopia is the victim of corruption. Corruption hinders access to affordable and adequate house-especially for the middle and low income group. Its effect on land management is also crucial which weakens the implementation of policies. “Under Ethiopia's constitution, the state owns all land and provides long-term leases to tenants. Title rights in urban areas, particularly Addis Ababa, are poorly regulated, and subject to corruption.” (CIA, (n.d))

Providing affordable and adequate housing needs huge investment and human resource which unfortunately the country could not provide. Even if it can cover the cost and provide the necessary human resource, urbanization effect on the farmland and on the farmers' fate is another dimension that needs critical assessment. Hence, building houses have to consider economic, social, cultural, political and environmental aspects.

For this report I will analyze planning and coordination of affordable housing for low income (poor) households in Addis Ababa the case of Yeka sub-city particularly at Abado Condominium Housing. This particular Sub-city was chosen on the basis of innovative affordable housing for low income households, land constraints, and population size.

Yeka sub-city is one of the 10 sub cities of Addis Ababa located in the North eastern part of the main city. It is located to the East of Arada sub-city, North east of Kirkos sub-city and North of Bole sub-city with an estimated total are of 85.98 km square and on the average 4,284.9 people live per Km². Moreover, its entire population of the area is 368,418 people. According to the Addis Ababa Saving Housing Development Enterprise(AASHDE) the 10/90 schemes is targeted at low income and socially disadvantaged house holds earning below 1200 birr in a month. Only one house type - studio flat - will be provided in this scheme and each will be at 31 m² unit. The ground plus 1 or two floor buildings in the 10/90 scheme are set further apart than the 20/80 and 40/60 scheme buildings.

Registrants targeting to own these houses provided 10% of the housing costs by paying a monthly amount to an account at CBE and the rest financed via bank loan.

20/80 housing schemes is targeted at lower and lower-middle income households. They contributed 20% of the housing cost over 7 years while the rest was financed via loan.

The new 4 years housing program builds on the integrated housing development(IHDP Phase 1), which failed to deliver the goal of alleviating shortage of housing such as providing low-income affordable homes for low income (poor) households and reducing slums by 2020.

1.2 Statement of the problem

The housing situations of Ethiopian cities are a manifestation of the interplay of urbanization and demographic factors(UN-Habitat, 2007). Over-crowding of dwelling units and growing of squatter settlements, resulted from high rates of population growth and migration to urban areas. Insufficient housing productions have become distinguishing characteristics of Ethiopian cities. Although the extents of such problems differ from one urban area to another e.g. high density, sanitation problems, unsafe living conditions, and insecurity of tenure are some of the common constraints of urban areas (UN-Habitat, 2007).

Ethiopia's housing deficit is between 900,000 and 1,000,000 units in urban areas, and an estimated 225,000 housing units are required a year to meet the Millennium Development Goals by the 2015. The youth Ethiopia's population, who accounts more than 50% under the age of 18, coupled with a high population growth rate that could see Ethiopia's population reach 100 million by 2020, is putting considerable pressure on demand for rapid housing provision(UN-Habitat, 2011). It is estimated that only 30% of Ethiopia's total housing stock is in fair condition, while the remaining 70% is in need of total replacement. As a result, Addis Ababa city administration has started an ambitious of housing construction and inner city up grading program (UN-Habitat, 2011). Sustained high urbanization and population rates in Ethiopia will put extra pressure on already failing and deteriorated urban infrastructure, services, and housing stock. The massive housing needs are unlikely to be met by the small scale housing cooperative, government, and upgrading approaches prevailing from the late 1970s until the mid-2000s, especially considering the high by the low-income sector of the population for affordable housing. In response to this challenge, the Ethiopian government outlined an ambitious vision for

low-income urban and housing development, formulated as the Integrated Housing Development Program (IHDP), since 2005, for all slums to be cleared within ten years and for Ethiopia to be a middle income country by 2025. In particular, the IHDP envisages the utilization of housing as an instrument to promote urban development, create jobs, revitalize the local urban economy through MSE (micro and small enterprise) development, encourage saving and empower urban residents through property ownership, and develop the capacity of the domestic construction industry (Mehader,2013).

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 host 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).

Provision of adequate, affordable and decent housing for low income households is clearly in short supply. The players in this industry are too few and there seems to be a minimal interest of other private sector housing developers to provide low income housing units. These private sector developers as by their success in the middle and high income housing markets, implies that they may have the capacity and skill set to supply the low-income housing required to alleviate, at least partly, the housing shortfall in the country (UN-Habitat, 2016). The recently emerging strategy in this city is provision of readymade collective dwelling units (condominium housing units) which aimed to be affordable for low and middle income groups. The major objective of condominium housing project is minimizing disparities by viewing governments concern and commitment to improve the main slum settlement, ensuring access to decent and affordable housing for the poor urban dwellers, which are homeless or inadequately sheltered and bringing fair distribution of wealth. However, to what extent the affordability and adequately of the housing units to the urban poor is still questionable (UN-Habitat, 2011). Actually, before five years ago the Integrated Housing Development

Program (IHDP) said that the city's current housing project has a goal of constructing 400,000 condominium units between 2010 and 2015. However, the project office has built 171,000 housing units to date (IHDP, 2015). Therefore, the researcher of this study wanted to assess the government objectives in providing adequate and affordable housing in line with the low income people of Addis Ababa which is promised at the Integrated Housing Development Program and to investigate the critical factors that affecting the implementation of condominium housing projects in the selected research area.

Addis Ababa Housing Project Office managed to construct 175,246 housing units in the past decade; however, reports and blogs criticized its effort concerning failure to meet residents' needs and expectations in quantity and quality aspect. The condominium has pitfall in fulfilling basic infrastructure and social service in some urban periphery sites (Tadele, 2012). They further pointed that malfunctioning of water pipe, sanitary system, door and window are exposed dwellers for extra maintenance and replacement costs. Because of poor housing management (Adamu, 2012), lack of skill in utilizing share facilities (Deribie, 2014), its potential risk for young children (Tiumelissan and Pankhurst, 2013) condominium negatively perceived by residents.

Despite the introduction and implementation of various proclamations related to the market-oriented land lease system, the approach has so far failed to expand affordable housing options to the residents of Addis Ababa of all income groups. It is not only just the very poor that are affected by the housing crisis; teachers, nurses and others in the lower and 'middle class' are unable to access affordable housing, forcing many of them to seek a second employment just to stay afloat (the state of Addis Ababa 2017). Lack of a strategic and comprehensive approach to housing policy were cited as major factors why Ethiopia has performed poorly in terms of the provision of affordable housing to the poor. Since the introduction of the 2005 urban development policy, however, major policy changes can be observed.

Moreover, housing projects that were implemented by the municipality do not meet the criteria for adequate housing. This study will identify shortcomings in realising the right to adequate housing in the district and make recommendations to address them.

1.3 Purpose/ objective / Aim of the study

The main purpose of this thesis is to find out some applicable suggestions and policies for the development of affordable housing for socially disadvantaged households market by comparing and analyzing the relevant experiences from other countries and areas.

There is currently an affordable housing crisis for socially disadvantaged households in Addis Ababa in general, and in Yeka sub-city specifically. The rise of home prices and rental prices is exasperating the ability of moderate income and low income socially disadvantaged households alike when it comes to affording a place to live

1.4. General objective.

This thesis aims to conduct a survey assessment on the implementation of affordable houses for socially disadvantaged households(poorest of the poor and low-income households) in Yeka sub-city areas at Abado condominium housing, with the objectives of examining desired housing attributes as well as preferred housing profiles of condominium, and providing some implications for new condominium projects.

The research is confined to preference of affordable housing for socially disadvantaged households(poorest of the poor and low-income households) who cant buy and afford new condominiums in Yeka sub-citys in the capital city Addis Ababa. As the first largest city in Ethiopia with population of around 105 million. An investigation of affordable housing for socially disadvantaged households' preference in Yeka sub-city therefore would be helpful for various actors on the housing market.

1.5. Specific objective.

In order to accomplish the research aim a number of Specific objectives have been identified:-

1. Assess the status of the implementation of affordable houses for the poor(socially disadvantaged households).
2. Examining what specific factors prevent the implementation of affordable houses for the poor.
3. Explore possible opportunities and systems for the implementation of affordable houses for the poor (socially disadvantaged households) and what resources and/or actions are required for obstacles to be surmounted.

1.6. Research Questions

Objective1: Assess the status of the implementation of affordable houses for the poor(socially disadvantaged households).

- How is affordable housing in Yeka Sub-City provided and regulated by different actors for households who cannot secure free market rental housing nor ownership?

Objective 2: Examining what specific factors prevent the implementation of affordable houses for the poor, and what resources and/or actions are required for obstacles to be surmounted.

- How are policy decisions made (fund or facilitate) the construction of affordable housing for socially disadvantaged households, and
- What barriers exist to the implementation of the policies?

Objective 3: Explore possible opportunities and systems for the implementation of affordable houses for the poor (socially disadvantaged households) and what resources and/or actions are required for obstacles to be surmounted.

1.7. Scope of the Study

In Addis Ababa, the government is the key player by providing low-cost housing. In the study, the selected Yeka Sub-city Abado Condominium residents in the sampled condominium sites¹ of the program are covered. Twenty five clusters are randomly selected from the list of most relevant and recent condominium houses distribution round. The quantitative data gathered from IHDP houses residents is organized from the those clusters while the qualitative data and literature review mainly shows the general perspective of IHDP built houses affordability in Addis Ababa. The main issues discussed are the planning and and implementation of the program towards providing affordable and adequate housing for socially dis advantaged households(the poorest of the poor and the low- income households) .

1.8. Significance of the Study

The government of Ethiopia is implementing Integrated Housing Development Program

(IHDP) since 2005 (World Bank, 2015:34). But it has been criticizing on its effectiveness in terms of affordability and others aspects. This study assesses the planning and implementation affordable housing for socially disadvantaged households(low-income households) in Addis Ababa, Ethiopia. The paper analyses the challenges and opportunities the city has and the effectiveness of IHDP. Finally, the study recommends other options based on the research findings.

1.9. Organization of the Paper

The research report has five chapters. The first chapter is Introduction which gives an overview of the thesis. It includes the background, statement of the problem, objective of the study, basic research questions, scope of the study, significance of the study, and organization of the paper. Chapter Two presents the relevant literature reviewed. The introduction, Explanation and meaning of Affordable Housing, over view of global affordable housing, brief over view of housing during different government of Ethiopia, the current government policy and legal frame works related to housing, global challenges of urbanization and housing, Critical factors affecting the performance of construction of housing, Global and practical problems in housing construction projects, The problems of urbanization and housing in Ethiopia, The Housing problems in developing countries, Housing affordability in Ethiopia, and The housing problem in Addis Ababa.

Under Chapter three (Research Methodology):introduction, research design, research population, sample frame, simple random sampling, purposive sampling, sampling size, data collection procedure, interviews, semi-structured questionnaires, secondary data collection, methods of data analysis and interpretation. Chapter Four focused on the findings and analysis of the data obtained from field. Chapter five, the final chapter, provides summary, conclusion and recommendations that are derived from the findings.

CHAPTER TWO:

REVIEW OF RELATED LITRATURE.

2.1 Conceptual Issues

Housing is one of the basic necessities for human beings. However, there are very complex linkages between adequate housing supply and affordability practices. Throughout the less developed countries cities, uncontrolled rapid population growth from high rate of natural increase and rapid rural to urban migration together with low level of their income has resulted in high demand of urban housing which resulting in critical problem of housing supply and affordability. Like most urban centers of developing countries, Ethiopia's urban centers are characterized by poorly developed economic base. Most cities and towns in Ethiopia face a plentitude of problems, including an acute and ever worsening housing shortage. But; housing problems may not be the same in each city because of variations in physical conditions, economic development and cultural preferences of the given society (UN-Habitat, 2016). Therefore, the function of housing is the most important economic resource to Addis Ababa residents than any other urban cities of our country.

Now, this chapter presents the review of related literature which is relevant to the study. The core point is to investigate the government policy in providing adequate and affordable housing in line with the low household income people of Addis Ababa which is promised in its objective at the Integrated Housing Development Program (IHDP), actually before nine years ago (2010) the IHDP said that the city's current housing project has a goal of constructing 400,000 condominium units between 2010 and 2015. However, the program has not met its original targets it has built 171,000 housing units to date. Now, the question is why the projects of condominium housing failed by more than 50 percent.

2.2. Explanation and meaning of Affordable Housing

Defining Affordable Housing affordability is a crucial concept in assessing affordable housing for socially disadvantaged households and vulnerable populations. To better understand the concept it needs to be broken into its component parts: ‘housing’ and ‘affordability.’ The U.S. Census Bureau defines housing in term of units, “A housing unit is a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied, or, if vacant, is intended for occupancy as separate living quarters.” Much of the housing data analyzed in this report ultimately comes from the U.S. Census Bureau (USCB).

Moderate-income housing (yellow circle) and workforce housing (blue circle) both fall within a very broad definition of affordable housing, but only a portion of each category is actually eligible for subsidies from state and federal housing programs (red circle).

Affordability is a ratio of a household’s housing costs and its income. The U.S. Federal Government defines affordable housing as any housing unit whose gross monthly costs, including utilities, are equal to no more than 30 percent of a household’s gross monthly income. In general, a housing unit is considered affordable regardless of the payment amount, the type of unit, the age of the unit, the size of the unit, or the location of the unit, if the unit’s gross costs are under 30 percent of the occupying household’s gross monthly income. This means that a newly built five-bedroom house in the suburbs with a \$3,000 per month mortgage payment and utilities is affordable for a family household earning \$10,000 per month. And likewise, a studio apartment built in 1960 with a gross rent of \$300 per month with utilities is affordable for a household earning only \$1,000 per month. For the purposes of this report, the crude affordability of a Housing Market Area (HMA), such as a metropolitan county, It is a ratio of the area’s distribution of housing costs to its distribution of household incomes. In this report, HMA affordability will always be summarized as the ratio of a county’s median housing costs, to its median income (AMI) by tenure. Tenure classifies a housing unit’s occupants as being either owners or renters

What do we mean when we say affordable housing?

Source: Utah Housing and Community Development Division (2017).

The typical renter household in the western U.S. would be considered cost-burdened because they spend 35% of their Monthly Gross Income on Gross Rent.State of Utah

Housing Cost Burden Related to the concept of housing affordability are the concepts of cost burden and severe cost burden. The U.S. Department of Housing and Urban Development defines cost-burdened households as households that spend between 30 and 50 percent of their gross monthly income on housing costs such as rent or mortgage payments.Severely cost-burdened households spend more than 50 percent of their gross monthly income on housing costs. According to the 2017 Consumer Expenditure Survey, the typical renter household in the western U.S. would be considered cost-burdened because they spend 35 percent of their Monthly Gross Income on Gross Rent. .

Affordable and Available Housing: The issue of housing affordability is compounded further when combined with housing availability. Nonetheless, many people become confused whenever the concept of availability is introduced in discussions about housing affordability. The National Low Income Housing Coalition explains that, “A housing unit is affordable and available if that unit is both affordable and vacant, or is currently occupied by a household at or below the defined income threshold. Therefore, a unit is unavailable if it is either occupied by a household above the defined income threshold or is unaffordable. The remainder of this report will simply refer to the compound concept of affordable and available housing as ‘available housing’ with the understanding that affordability is a necessary antecedent condition of availability.

The concept of housing affordability: The term housing affordability is used widely in evaluations of the impact of the cost of housing on consumers but with a number of different meanings and measures. The most general use of the term centres around consideration of the extent to which housing costs for a given standard of housing impinge upon a household’s ‘income to live on’ or their capacity to meet their total household needs (Hancock, 1993). Three standards are invoked in this general definition of the concept: socially accepted standards of housing, housing costs and quality of life (MacLennan and Williams, 1990; King, 1994). The standards may be determined either in a relative way (that is, defined in relation to the situation of households in general) or normatively (that is, defined by an independently determined value) (Whitehead, 1991).

2.3. Brief over view of housing during different government of Ethiopia

In the first half of the twentieth century land and housing in Ethiopia were possessed by a few individuals and groups who owned and controlled land and housing development. Housing supply was led by the land owning elite with less than one per cent of the population owning more than 70 per cent of the arable land, on which 80 per cent of the peasants were tenants. Low income households had little option but to rent housing and this was done outside of any formal control or planning system. In 1962, for example, 58 per cent of the land in Addis Ababa was owned by only 1,768 individuals, equating to ownership of over 10,000m² each, and leading to 55 per cent of housing units being rental housing. While government urban housing and land strategies were debated and documented at length they did not materialize into built projects to address the severe housing demand. The government exhibited little national commitment to land and housing development for the low income sector and there was no coherent approach or action toward land and housing provision. Therefore, ad-hoc policies and approaches prevailed and informal, unauthorized housing proliferated (UN-Habitat, 2011, p.2). During 1974, the land and housing situation significantly changed as a result of the political revolution that saw the overthrow of Emperor Haile Selassie by the Derg. In July 1975, Proclamation No. 47: 'Government Ownership of Urban Lands and Extra Houses' nationalized all urban land in an effort to force a faire distribution of wealth across the country. Two new typologies in the housing sector were established: Government owned rental units, administered by 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. During this time approximately 60 per cent of housing in Addis Ababa was rental accommodation and Kebeles accounted for 93% of this rental accommodation. A consequence of the nationalization was a significant reduction in the rental price for low cost rental housing of between 15 and 50 per cent for occupants paying below ETB 300 (USD 23). In Addis Ababa, the rent of 80 per cent of the city's population was reduced by 30 per cent. Housing supply was controlled by the centralized government yet it was drastically insufficient to meet the large demand. For instance, in Addis Ababa between 1975 and 1995, only one tenth of the projected dwellings were built because of very low effective demand, rock bottom

national housing investment rates, and from regulatory constraints in the supply of land, credit, and building materials (UN-Habitat, 2011c). The Derg government was controlled ownership of urban lands, and rental dwellings or extra houses (a person is not allowed to have more than one house). Consequently, ownership of all urban land and extra houses were transferred to the government in an effort to enforce a faire distribution of wealth across the country. During the Derg regime, housing supply was controlled by the central government and urban residents were allowed to keep one residential house and another business house, if necessary. Housing supply was insufficient to meet the large demand and all cities in Ethiopia experienced acute housing shortages and ever deteriorating housing conditions (Teshome, 2008).

In the late 1980s, the 'Derg' loosened its control of housing supply by allowing private house owners and tenants of public premises to sell and exchange their houses although in reality the government devolved very little control and maintained its position as the key driver of housing supply. Proclamation No. 292 of 1986 specified that "residential buildings could be produced only by state enterprises, municipal governments, housing cooperatives and individuals who build dwellings for their personal consumption effectively excluding large scale private sector housing developers to address the large demand. The housing stock continued to be characterized by high rates of rental housing. By the mid-1980s, rental housing accounted for 60 per cent of the total housing stock in Addis Ababa. The low rental rates resulted in little to no investment in housing which led to a further deterioration of housing quality. The housing conditions were poorest in the center of Addis Ababa. According to the 1985 analysis report by the Municipal Technical College for the Teklehaimanot Upgrading Scheme, the average house had a floor area of 20m², 35 per cent of all houses had only one room, and 39 per cent of the urban population lived in overcrowded housing that lacked basic services such as potable water and sanitation(ibid). Since the overthrow of the 'Derg' by the Ethiopian People's Revolutionary Democratic Front (EPRDF) in 1991, Ethiopia has been undergoing market orientated reforms, structural adjustment policies, decentralization of governing structures, and a program of agricultural development led industrialization. Following the new constitution and federal system of government, in 1994 a rural development policy, named the Land Reform Program, was introduced. This sought to decentralize urban

planning responsibilities and to encourage secondary cities to attract rural migrants to ease pressure on the already limited housing available for urban dwellers living in Addis Ababa and other major urban areas. Addis Ababa's first housing policy, incorporating the government's practice of maintaining public ownership, was also implemented at this time but it assumed that the housing market alone would meet the demand for affordable housing of the low-income population. Despite large subsidies and land provided at highly subsidized rates, the private sector has failed to deliver affordable housing at the large scale required. During this time house prices significantly rose making it extremely difficult for even professionals such as doctors and lawyers to access affordable housing (UN-Habitat, 2007).

The post 1991 housing sector can therefore be typified by the following four characteristics: The private housing sector has not been sufficiently engaged and therefore has not met the immense housing demand. The practice of low cost government owned rental housing continues to be the dominant low income housing strategy. The housing stock is of a very low quality, is poorly maintained, and needs either replacement or significant upgrading. Informal unplanned housing has proliferated as a result of high urbanization, limited housing supply, and unaffordability of formal housing (ibid).

2.4. The current government 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 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 neighborhood administrations (Kebeles). In each region the districts are the basic planning unit and have jurisdiction over the kebeles. 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, 2011, p.3-4).

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 patterns. 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 Integrated Housing Development Program (IHDP) including the Micro and Small Enterprise(MSE) Development Programs, the Urban Development Support Services deal with financial planning, human resources, and capacity building(ibid).

A major player in providing housing is the state dominant manifested through its various arms such as regional governments, districts, and kebeles. The state controls the key of the rental accommodation and influences the supply of new housing through active involvement in material production and importation, land supply, and housing finance. Very few private housing developers exist. The private construction industry is very small and it is complicated and time consuming to start a company, register it, and conduct business. Those that do exist operate only for high income groups as there is little incentive to construct low income housing (UN-Habitat, 2010).

Since the late 1970s housing cooperatives have also provided an avenue for home ownership. This delivery method was established in 1978, through Proclamation No. 138. The approach is for citizens to organize themselves into small groups for land allocation, develop savings capacity, prepare settlement plans, receive land and secure tenure, and largely build their housing themselves incrementally. Cooperatives have received varying levels of government support over the last 40 years. Between 1986 and 1992, housing supply by cooperatives did increase due to the significant subsidy of construction materials (60 per cent), land being allocated with no charge, and low mortgage interest rates, but this help was inadequate to meet the magnitude of housing demand. Between 1975 and 1992 housing, cooperatives produced a mere 40,539 units. In addition to its small scale, cooperative housing is challenged by the undesirable peripheral location of

land allocated, low quality of allocated land making construction costly and difficult, and the exclusion of the poorest sector of society (ibid).

Informal unplanned housing provision constitutes a considerable proportion of the total housing supply, although there are vastly different estimates of the scale of urban informality. Informal housing is especially prevalent in Addis Ababa accounting for 34.1 percent of total housing supply between 1996 and 2003 and it is the fastest growing supply method. Involvement in the housing market by Non-Governmental Organizations (NGOs), both national and international, has been of small scale. While many NGOs operate in Ethiopia, few deal with housing and land issues. The three most visible NGOs dealing with housing are the Integrated Holistic Approach Urban Development Project (IHA-UDP), care and concern, who have been involved in upgrading of sanitation and infrastructure and facilitating community participation in upgrading projects. They work mainly at the city and kebele level.

The German Technical Corporation (GTZ) has been operating in Ethiopia for many decades, primarily in providing technical support and building capacity in building construction (UN-Habitat,2011, p.5-6).

The existing housing stock is a very low physical quality. Using the UN-Habitat slum definition, 80 per cent of Addis Ababa is a slum with 70 percent of this comprising government owned rental housing. The majority of low income Ethiopians resides in rented kebele housing. The quality of kebele housing stock is low typically constructed of mud, wood, and 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. Although also of relatively low quality, owner occupied houses are of a higher standard than kebele housing. They are less deteriorated due to age and greater attention to maintenance. Data on the national stock of informal housing unit's is not available although Addis Ababa in the year 2000 had an estimated 60,000 informal 'squatter' units representing 20 percent of the city's housing stock. The physical form of Ethiopian housing has been dominated

by single storey construction, with a high proportion of ‘terrace housing’ (housing units adjoining other units rather than free standing). Nationally, in the 1994 census, 98.3 per cent of buildings nationwide were single storied and the remaining 1.7 percent was multistoried buildings. In terms of tenure, private house ownership levels are low. In Addis Ababa, only 30 percent of houses are owner occupied. Rental housing is the dominant tenure mode. In Addis Ababa, in the 1994 census 57.3 percent of the housing stock was government rental, either local municipalities, or the National Agency for Administration of Rental Housing (ibid).

The government estimates that the current housing deficit is between 900,000 and 1,000,000 units in urban areas, and that only 30 percent of the current housing stock is in a fair condition, with the remaining 70 percent in need of total replacement. 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 2,250,831 units, which equates to a considerable 225,000 houses per annum. 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 (CSA, 2007).

There is a distinct absence of a diversified and flexible housing finance sector in Ethiopia. For many years, the Construction and Business Bank (formerly the Housing and Savings

Bank) was the only bank to offer housing construction loans and long term mortgages for the procurement of housing. The Bank, which was owned by the government of Ethiopia, relied heavily on the Central Bank for its capital. During previous regimes this was not a problem, as the government was responsible for the procurement of housing for the urban poor and housing units were completed and held by the government in a rental portfolio. However, in the 1990s, the Construction and Business Bank started lending money directly to housing cooperatives. Overall, this centralized financial set up has resulted in a housing finance sector that is very limited in its scope and diversity of the products it offers. A major challenge facing securing affordable housing for low income Ethiopians has been access to housing finance (UN-Habitat, 2011).

Following the market led adjustments, implemented post 1991, subsidized interest rates were removed which significantly increased lending rates. Rates increased from 4.5 percent for cooperatives and 7.5 percent for individuals to 16 percent for both severely reducing the opportunity for the low income households to secure a home loan. Furthermore, with a high percentage of low income people receiving income from informal sources and lacking capital to use as collateral, access to formal credit has been limited or nonexistent. The low level of domestic savings of the population, coupled with the shortage of external resources, has affected the availability of investment in the housing sector. At the household level, these translate into a low level of investment in housing, and little capacity of the low income population to own minimum standard housing. Houses of a minimum standard have simply been out of financial reach for the poor (ibid).

Like other provision, the government significantly controls the construction industry. Before 1991 the government had a monopoly over the production and supplies of building materials. Even though the government is still active in retailing and some subsidies remain in place, material production and supply is gradually shifting to a market based approach where prices are by and large market prices. Building materials are high in price and of a low quality relative to neighboring countries. For low income housing the most common building materials used are wattle and daub ('chikka') for walls, with roof rafters of round tree lengths covered with corrugated iron sheeting, and skim concrete or compacted earth floor. Larger multistory commercial and residential

buildings in urban areas are composed of reinforced concrete frame and slab construction with hollow brick or fired brick infill walls. There is a pressing need for more cost efficient alternative materials, as the current cost of construction materials is a high proportion of total construction cost, typically around 70 percent (UN-Habitat, 2012).

The construction industry comprises four main sectors: building and residential development sector, civil engineering sector, professional services, and informal self-building sector. Construction companies are classified according to size, expertise, and financial capability. They must be registered with the MWUD and licensed to undertake construction work. There is little specialization in contractors' work, with contractors taking on all aspects of a building project. The professional services sector comprises mostly architects, engineers and quantity surveyors. Logically, the informal self-building sector is not registered but supplies materials and labor at a very large scale, employing a large number of people. There is little cross collaboration between the professional sector and informal sector (UN-Habitat, 2009).

The national Ethiopian Building Code, Ethiopian Building Proclamation 624/2009 is a legal document that outlines the building regulations and requirements, for use by local authorities to ensure building standards are maintained in their jurisdiction. The codes are only used and enforced in buildings developed in the formal sector. The construction sector is undergoing several changes. The government's plan for the budget year of 2008/09 was to enhance the capacity of the construction industry by making it capable and competitive, enhancing its contribution to the country's economy, enabling it to meet the demand for housing construction, and enabling it to create ample employment opportunities. It aimed to achieve this by improving construction industry policy; developing a construction industry capacity-building program and ratifying and implementing the national building proclamation (ibid).

2.5. Common Problems of Affordable Housing Provision in Developing Countries and the Widely Practiced Wrong Solutions

Stephen Malpezzi (1987) said, “Housing policies in many developing countries are inefficient and inequitable and the wrong solutions are often applied to the problems.” One of the problems he mentioned is the perceived shortage of housing. However, many come with the common solution, which is usually wrong. This is for government to build houses. He argues that housing shortage is the result of fast growth in demand and of impediments to the supply of housing. As a result, he recommends government to mitigate or remove market imperfections as the private sector can respond faster or more efficiently than government. The other problem is poor quality of housing. The common solution, yet often wrong, is to raise standards through stricter building codes and better enforcement. However, many current standards, based on western codes, have little to do with basic structural soundness or hygiene and it just makes the price unaffordable. He recommends for standards and codes to focus on basic requirement for safety and health. The third problem that is commonly responded with wrong solution is the existence of too many squatters. The common solution that is being applied is to clear the squatters. However, it is wrong for many reasons. This retards development as far as slum housing constitutes large part of the poor’s capital stock. According to him, improving conditions more cheaply and for more people is better than clearance programs. The other developing countries problem he mentioned is high price of housing for many families. The common solution and yet wrong one is to control rents and the price of land and building materials. When price of housing increases faster than general prices, it is the indication of the market to produce more housing relative to other goods and services. As a result, it is better to deal directly with the causes of rising costs rather than to shift the problem to landlords. Otherwise, such solution will worsen the problem by reducing the quantity of houses and land for rent.

Every day, as people migrate to cities and new households are created, the demand for housing grows. The urban population has increased more than five-fold since 1950, from 746 million to 3.9 billion in 2014. This growth has greatly elevated the demand for adequate, safe, and accessible housing. In addition to the existing 980 million urban

households in 2010, 600 million more are estimated to require housing in cities between 2010 and 2030. Responding to the existing housing deficit, while planning for anticipated future housing needs especially in areas experiencing high urban growth forms the crux of the housing policy challenge. Effective response to this challenge will yield benefits beyond the housing sector itself, as housing not only drives urban development, urban form and density, but is also a key sector for generating employment and economic growth (UN-Habitat, 2015c, p.4).

The world's urban population has soared from 2.6 billion (45 per cent of the whole) in 1995 to 3.9 billion (54 per cent) in 2014. With urban populations expanding at unprecedented rates since 1996, it is perhaps unsurprising that many cities are falling short in housing supply. UNHabitat's estimates show that there are 881 million people currently living in slums in developing country cities compared to 792 million in the year 2000 and all the while the enabling approach has been in force. By 2025, it is likely that another 1.6 billion to enable access to housing for all urban residents will require adequate, affordable housing. This should come as a wake-up call to governments, urging them to act determinedly (UN-Habitat, 2016, p.51).

Given that housing has slipped from the development agenda since 1996, housing shortfalls represent a challenge that is hard to measure. In 2010, as many as 980 million urban households lacked decent housing. Another estimate shows that one billion new homes are needed worldwide by 2025, costing an estimated US\$650 billion per year, or US\$9-11 trillion overall. In addition, shortages in quality are much larger than those in quantity; in Latin America, 61 and 39 percent respectively. This suggests that long-term international vision and commitment are overdue to turn housing into an integral part of planned urbanization (UN-Habitat, 2016, p.52).

Globally, a billion new houses are needed by 2025 to accommodate 50 million new urban dwellers per year; costs are estimated at USD 9 to USD 11 trillion by 2025. Funding for large scale affordable housing and for expanding housing finance options for the urban poor has remained limited. While private sector investment in housing has increased, significant challenges deter higher investment in pro-poor, affordable housing. Some studies suggest that the affordable housing gap now stands at \$650 billion a year and is

expected to grow.^{liv} Applying the UN Millennium Project Task Force on Improving the Lives of Slum Dwellers estimations of the cost of neighborhood upgrading per beneficiary, it would cost approximately \$6.3 billion each year from 2016-2036 to improve the lives of 20% of residents (176 million) who live in slums (the global slum population is 880 million). The total amount would equal \$111 billion. Based on the assumptions provided by the Task Force, donors would need to provide approximately \$39.1 billion to achieve these goals by 2036. Governments of developing countries would need to cover \$60.5 billion and residents of slums themselves would cover the remaining \$11.2 billion (UN-Habitat, 2015c, p.15).

Yet local and national government budgetary commitment are critical to a scaled-up effort at working with the urban poor to improve lives today and providing alternatives for the future. In countries in which governments have built housing for low-income households, it has had to be subsidized to significant levels. In most developing countries, subsidies appear to benefit very few households compared with the need and have a built-in bias against poor households as they usually require a minimum income threshold of affordability or proof of formal employment (ibid).

According to Un-Habitat (2013), around 33% of the urban population in the developing world in 2012, or about 863 million people, lived in slums. The proportion of urban population living in slums was highest in Sub-Saharan Africa (61.7%), followed by South Asia (35%), Southeast Asia (31%), East Asia (28.2%), West Asia (24.6%), Oceania (24.1%), Latin America and the Caribbean (23.5%), and North Africa (13.3%). Among individual countries, the proportion of urban residents living in slum areas in 2009 was highest in the Central African Republic (95.9%).

The formation of slums is closely linked to urbanization. In 2008, more than 50% of the world's population lived in urban areas. In China, for example, it is estimated that the population living in urban areas will increase by 10% within a decade according to its current rates of urbanization. The UN-Habitat (2008), reports that 43% of urban population in developing countries and 78% of those in the least developed countries are slum dwellers. Some scholars suggest that urbanization creates slums because local governments are unable to manage urbanization, and migrant workers without an

affordable place to live in, dwell in slums. Rapid urbanization drives economic growth and causes people to seek working and investment opportunities in urban areas. However, as evidenced by poor urban infrastructure and insufficient housing, the local governments sometimes are unable to manage this transition. This incapacity can be attributed to insufficient funds and inexperience to handle and organize problems brought by migration and urbanization (UN-Habitat 2008).

In many cities, the informal sector accounts for as much as 60 percent of employment of the urban population. For example, in Benin, slum dwellers comprise 75 percent of informal sector workers, while in Burkina Faso, the Central African Republic, Chad and Ethiopia, they make up 90 per cent of the informal labor force. Slums thus create an informal alternate economic ecosystem that demands low paid flexible workers, something impoverished residents of slums deliver. In other words, countries where starting, registering and running a formal business is difficult, tend to encourage informal businesses and slums. Without a sustainable formal economy that raise incomes and create opportunities, squalid slums are likely to continue. Urban poverty encourages the formation and demand for slums. With rapid shift from rural to urban life, poverty migrates to urban areas. The urban poor arrives with hope, and very little of anything else. He or she typically has no access to shelter, basic urban services and social amenities. Slums are often the only option for the urban poor (UN-HABTAT, 2010).

Problems of housing exist in many countries and have become a global phenomenon. There were nearly one billion people settling improper housing settlements in most cities of Latin America, Asia, and Africa, and a smaller number in the cities of Europe and North America. In 2012, about 863 million people in the developing world lived in slums. Of these, the urban slum population at mid-year was around 213 million in Sub-Saharan Africa, 207 million in East Asia, 201 million in South Asia, 113 million in Latin America and Caribbean, 80 million in Southeast Asia, 36 million in West Asia, and 13 million in North Africa. Among individual countries, the proportion of urban residents living in slum areas in 2009 was highest in the Central African Republic (95.9%), Chad (89.3%), Niger (81.7%), and Mozambique (80.5%). These are sometimes called slum cities (UN-Habitat, 2012).

Ethiopia is one of the poorest countries in the world. It is ranked 169th out of 175 countries in the United Nations Development Program Human Development Index. Among other indicators demonstrating the massive developmental challenges facing Ethiopia, primary school enrolment is remarkably low at only 46 percent, infant mortality is high at nearly ten per cent (98 child deaths per thousand), 53 percent of the population is illiterate, and 40 percent of the population lives below the poverty line. National unemployment is high at 16.7 percent, although in the capital city of Addis Ababa it is even higher at 32 percent. With a population of 79 million, Ethiopia is the second most populous country in Africa. It is growing rapidly; the annual growth rate is 2.6 per cent, equating to two million births per year. Despite having one of the lowest proportions of urban population in the world at only 16.7 percent, Ethiopia is rapidly urbanizing at a high annual growth rate of 3.49 per cent. In the space of seventeen years the urban population more than doubled from 6.4 in 1990 to 13.8 million in 2007. The population is very young with 45 per cent under 15 years of age (UN-Habitat, 2011, p.1).

The combination of high population and urban growth rates coupled with a high prevalence of urban poverty have placed enormous strain on Ethiopian cities. 80 per cent of the population lives in sub-standard slum housing that needs either complete replacement or significant upgrading. Ethiopian cities suffer from a high degree of homelessness, environmental degradation, urban decay, a shortage of infrastructure and basic services, and high unemployment. These factors combine to produce the critical urban issue addressed in this publication: the lack of affordable, healthy housing for all sectors of the population (ibid).

According to the 2007 Population and Housing Census by CSA, in Ethiopia there are 15,103,134 housing units most of which, 12,206,116 units, are found in the rural areas and the 2,897,018 units are found in the towns of the country. Most of the housing units found in the towns, 836,074 units, are in the Oromia region. Out of the housing units found in the country, about 81.5 percent are owner occupied and around 9 percent of the units are rented from private households. In the urban areas, the owner occupied housing units' account for about 39 percent and about 40 percent of the urban housing units are rented from private households. In Ethiopia, the average number of households per a housing unit is 1.044 and the average number of rooms per a housing unit is 1.8 (CSA, 2008).

2.6. Ethiopian Government Effort and the Beginning of IHDP

Since the overthrow of 'Derg' by Ethiopian People's Revolutionary Democratic Front (EPRDF), it was at 1994 that Addis Ababa implemented its first housing policy. It was assumed that the housing market can meet the housing demand for the city low-income population. However, despite the intense subsidies and land provided the private sector was failed to meet the expectation. "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." Also, the national Ministry of Works and Urban Development (MWUD) was created with the objective to lead the country urbanization and research its pattern. (UN Habitat, 2011)

In 2004 the Integrated Housing Development Programme (IHDP) was launched and started its implementation in 2005 based on the proposal prepared by former State Minister Oqubay Arkebe which was submitted to German Technical Corporation (GTZ). The program is "a government led and financed housing provision programme for low-and-middle-income households in Ethiopia." In addition to constructing 400,000 condominium units, the program initial objectives were to promote home ownership for low-income households, to create 200,000 jobs, to enhance the capacity of the construction sector, and to promote the development of 10,000 micro and small enterprises. (UN Habitat, 2011)

The program provides houses through three schemes which are 10/90, 20/80, and 40/60 based on the down payment required to obtain the house. Upon the owning of the houses constructed under 10/90, 20/80 and 40/60 program schemes, beneficiaries will pay the 10%, 20% and 40% of the house price and the rest will be paid in 25 years for 10/90 scheme and in 15 years for other schemes except for studio under 20/80 years which is 20 years. While 10/90 scheme has only a studio, other schemes comprise studio, one bedroom, two bedroom and three bedrooms units. Studio houses target those beneficiaries with average monthly income of less than 300 ETB. One bedroom houses targeted those with average monthly income of 301-600 ETB while 2 bedrooms and 3 bedrooms targeted beneficiaries with average monthly income of 601-1200 ETB and >1200 ETB

respectively. “In terms of income groups, the program is intended to benefit residents of the city mainly in the following income groups. The extremely low income groups, who earns monthly income of below Birr 300 (equivalent to 23 USD at the time of the start of the program), constitute 50% of the residents of the city. The very low income group, (Birr 300 – 600), low income group (Birr 600 – 1200), medium income group (Birr 1200 – 1800) and lower middle income (above Birr 1800) constitute 30%, 10%, 6% and 4% of the city, respectively. Accordingly, of the total houses planned to be constructed, 40%, 30%, and 20% are designed for Studio, one-bedroom, two – or three – bedrooms. Such arrangement targets with the assumption that the houses are transferred to extremely low income group, very low – income, and low middle – income groups, respectively. The remaining 10% are designed for commercial purposes.” (Weldesilassie et al., 2016).

Though the program had not met all of its objectives, it has also important contributions. For instance, these positive contributions are manifested on 11.5 % growth rate of GDP, and 176,000 jobs are created. However, it was unfortunate for the program was unable to provide affordable housing for ‘poorest of the poor’ or low-income community due to their inability to afford the initial down-payment and monthly service payments. (UN Habitat, 2011).

2.7. The problems of urbanization and housing in Ethiopia

Since 2004, the Ethiopian government has been rolling out a national housing project to solve the country’s urban housing challenge. While the project has made some gains, there remains a housing deficit, especially in urban areas. Ethiopia has one of the lowest proportions of citizens living in urban areas: only 16.7 percent. However, things are changing and the country is now urbanizing at an annual growth rate of 3.49 percent. The combination of high population and urban growth rates, coupled with a high prevalence of urban poverty, has placed enormous strain on Ethiopian cities, especially when it comes to adequate and affordable housing. Almost 50 percent of city slum dwellers live below the poverty line and their hardships are enormous (Mekonnen 2015).

Nationally, 80 percent of the population lives in sub-standard slum housing that needs either complete replacement or significant upgrading. In Addis, slum dwellers live in congested houses that have no access to roads, sanitation and basic infrastructure. Though

many slums areas are slowly disappearing in Addis, there are still many of them concentrated in the inner city areas. The housing challenge remains large. The current housing deficit is between 900,000 and 1,000,000 units in urban areas, and only 30 percent of the current housing stock is in fair condition, with the remaining 70 percent in need of total replacement. In Addis Ababa alone, 300,000 housing units are required to meet the deficit. A lack of well-established urban development indicators have also been one of the major constraints in decision-making, policy formulation and planning process at all levels of the country's metropolitan areas (Abera, 2015).

Affordable housing plan, since the launch of the affordable housing project in 2004, most of the country's urban areas have been in a state of fundamental transformation in terms of physical, socio-economic and spatial aspects and most of them now boast a housing project. The program is a large scale approach to address the current housing deficit, the poor quality of the existing housing stock, and the future housing needs due to continued urbanization.

According to the EHDA (2015), in all regions, condos have been transferred to their owners by way of a computer based lottery system. When registering for the lottery, applicants choose which condominium site, sub city and unit type they prefer. Thirty percent of housing units are allocated to women. There are no special provisions for the elderly or disabled, although if their names are drawn in the lottery they have first choice in choosing a ground floor condominium. Presently, there is no income verification system in place but lottery entrants must be able to prove that they have lived in Addis for at least six months. Up to January 2014, over 800 million dollars was earmarked for the housing projects in cities across Ethiopia. Some 22,000 condos were handed over to beneficiaries in 2014 alone, and the government expects to transfer 76,000 houses to individuals this year. The construction of 65,000 houses commenced in 2013 and construction of the same number of houses will begin this year.

According to the MUWD (2013), Addis Ababa has received priority due to the high demand for housing. Close to one million individuals that seek condos have been registered since 2012 in Addis Ababa only, and in the last few years, the city administration has completed thousands of condos in the central part of town, although

most of the big condo compounds have been built on the outskirts. Since housing demand remains high, the city administration aims to build more homes in the capital. However, the housing shortage continues to be a major problem for city residents.

Sintayehu Bushe, a resident of the Yeka Sub-City in Addis Ababa, said he has been waiting for the government's houses for the past six years now. "I don't think enough houses are being built. I know lots of other people who are waiting for close to ten years now," he said adding that he can no longer afford to pay for the house he is renting for 1,500 birr (close to 75 USD). The city's current housing project has a goal of constructing 400,000 condominium units between 2010 and 2015. Although the program has not met its original targets it has built 225,000 housing units to date. This has increased the number of homeowners, who would not have owned a home in their lifetime, and benefited the housing market by increasing the supply of owner occupied housing and rental units. This is an achievement, considering the previously limited capacity of the Ethiopian housing sector. There are, however, a number of unanticipated challenges facing the program. The most challenge is the affordability of the units for low-income households, with the cost increases in the price of condominium houses deeming them no longer an option for many low-income household, (Mekonen, 2015).

The program aims to produce low-cost but not low quality housing. Nonetheless, there are concerns over the quality of the built environment, in particular the quality of construction finishes and infrastructure. For example, there have been reports of burst sewerage pipes that leaked through all floors and wide spread cracking of wall plaster. The expected life span of the units is 100 years, although local professionals and residents doubt the validity of these predictions. Construction quality is affected by micro and small enterprises seeking to make additional profit by using cheaper substandard fixtures, such as doors and door handles, as well as the low levels of construction skills and capacity, which is somewhat understandable considering the vast numbers of recently employed inexperienced contractors and builders necessary for projects of this scale. Following quality issues with early condominium projects, consultants have been hired to carry out quality supervision and monitoring. Quality checks on building materials have been implemented alongside monitoring of structural frame quality, crucially important in the earthquake-zoned city of Addis Ababa (UN-Habitat, 2011, p.42-43).

Alongside construction quality, construction delays are a major issue facing the program. The productivity of the construction phase has not been as efficient as planned during the program's implementation thus far due to gross material shortages, a lack of adequate infrastructure, and poor construction management delaying completion by as much as a year on some sites. Approximately 50 percent of condominium sites are behind schedule because of delays in the building of Infrastructure. The solution to this problem is to start the construction of infrastructure prior to, or alongside, the housing units so as to avoid the delays that cause the entire development to hold up. The most significant material inefficiency has been in the quantity of cement over the past two years. The government has commissioned the building of multiple cement factories across the country to lessen the burden on the existing three, to reduce their imports of up to one million tons of cement and iron bars from as far away as Turkey and the Ukraine, and deal with the surging demand of materials for condominium projects (ibid).

To improve construction efficiency and reduce costs, the government is currently investigating alternative building technologies and systems. They are concentrating their efforts on increasing the use of local construction techniques and materials, and promoting private investment in the national production of cement, glass, and iron. Research is currently being conducted on alternative materials; in particular, on the greatest challenge that of finding an alternative material to cement, for the partition walls of the buildings, to avoid the delays it currently causes and to reduce costs. One of the other major challenges facing the project concerns post occupation management and monitoring, which have received very little attention to date. The program has no systems in place for post occupancy engagement on issues such as community cohesion, maintenance of communal areas, and the establishment of community groups and community based management of facilities (UN-Habitat, 2011, p.43).

2.8. Housing affordability in Ethiopia

The Ethiopian government is committed to expanding access to affordable housing for the poor. Ethiopia's major policy strategy documents provide a conceptual and operational definition of what constitutes housing affordability. Any attempt to measure housing affordability, however, needs to recognize the difficulties that households often

face in balancing their housing costs (rent, purchase or mortgage repayments) and non-housing expenditures vis-à-vis the expendable income. This is often constrained by very low earning capacity (Stone, 2006). A review of literature highlights that in many countries a ratio approach is commonly used to calculate housing affordability. According to Gan and Hill (2008), the ratio approach determines the proportion of the income that should go toward housing costs relative to non-housing expenditures (Gan and Hill, 2008). A 30% maximum of household income for housing costs is considered appropriate. In the African context, however, settling on a 30% threshold is often impractical because of the difficulties of obtaining adequate and accurate information on household income. Given the prevalence of low incomes and depressed wages, even spending 30% of income on housing, let alone a higher share, is not sustainable.

2.9. The housing problem in Addis Ababa

Addis Ababa, the capital city, is relatively young having been established only one hundred and twenty seven years ago. It is located in the state of Oromiya and has a population of approximately 3.4 million, ten times larger than the second largest city in the country, Dire Dawa. In the past ten years Addis Ababa has risen from a city of self-built single-storey homes, to a city of skyscrapers. This growth is set to continue as in the coming 15 years the population is projected to grow by 3.8 percent per year (UN-Habitat, 2011, p.2).

The major problem facing Addis Ababa is housing shortage and standard. The study of integrated housing development program (IHDP) undertaken in 2006 indicated that the housing deficit in the urban area of the country is 900,000 out of which 450,000 is the share of Addis Ababa. Similarly 50% of the urban housing stock is in poor or irreparable condition. The number of 41 households of urban area at national level is 3,009,285 and households in Addis Ababa are 651,970. The average national house hold size in the urban area is 3.9 while the Addis Ababa house hold size is 4.1 and persons per housing unit are 5.5 with an average floor area per person is about 12m² ,(CSA 2007).

Housing which constitutes a living space with physical structure and basic infrastructure facilities is not only one of the basic necessities but also a right for human beings to survive. The housing situation of Addis Ababa in spite indicates that housing shortage, poor quality of housing and poor living and working environment have remained as a critical problem of the majority of the population for more than 30 years. Measures taken to alleviate the problem by public and private sectors could not bring about a solution especially from the need of the poor. The city administration had difficulties to supply standard housing, in quantity as well as in quality terms, and basic services. Scarcity of financial resource is the main factor for its inefficient performance in the sector. Housing construction by the private sector was also unsatisfactory for the reason that the construction cost of the units is unreachable to the low income group of the city (Azeb, 2007). Generally, based on the above theoretical and empirical literature review knowledge, the researcher of this paper will study depends on the general objectives that means the challenges of condominium housing projects in Addis Ababa with reference to the selected sub cities and organizations.

CHAPTER THREE:

RESEARCH METHEDODOLOGY

3.1 Introduction

Every project requires a detailed research design in order to proceed. For the purpose of this study, a quantitative research design with suitable methods was used to test the hypothesis. Thus, quantitative techniques were used to gather and analyze data in order to draw conclusions and make generalizations about the realization of the planning and implementation of affordable housing for the poorest of the poor and low-income groups in Yeka Sub-city of Addis Ababa at Abado Condominium.

3.2 Sampling Techniques

Creswell (2007) describes research design as a plan or strategy which moves from the underlying philosophical assumptions to specifying the selection of respondents, the data gathering techniques to be used and the data analyses to be done. This view is corroborated by Welman et al. (2005) which describes research design as the plan according to which one identifies research participants and describes the research. In the research design the following are specified:

- 1) The number of groups that data will be collected from.
- 2) Whether the groups are going to be drawn randomly from the population involved and whether they should be assigned to groups.
- 3) Precisely what will be done with these groups in the case of experimental research.

This thesis used mixed research design to answer the research questions. Mixed methods research is an approach to inquiry involving collecting both quantitative and qualitative data, integrating the two forms of data, and using distinct designs that may involve philosophical assumptions and theoretical frameworks. The core assumption of this form of inquiry is that the combination of qualitative and quantitative approaches provides a more complete understanding of a research problem than either approach alone (Ibid). Therefore, the researcher employed both quantitative and qualitative primary data survey design for the thesis that is realized through questionnaires, interviews, and secondary

data is also used from published and unpublished documents. By purpose, this study relatively fits into the descriptive study design. Descriptive research provides an accurate account of characteristics of a particular individual, event or a group in real life situations (Saunders and Lewis, 2007). Therefore, this study is descriptive statistical method of analyzes such as frequencies, percentages, averages, etc. are employed and the findings are described and presented in tabular format using Microsoft excel.

3.2.1 Target population

Welman et al. (2005: 52) define 'population' as the study object that consists of individuals, groups, organizations, human products and events or the conditions to which they are exposed. The authors also state that the research problem relates to a specific population and the population includes the total collection of all units of analysis of which the researcher intends to make a conclusion. The aspect of generalisability is considered to be extremely important. The results of the research only have meaning when they can be generalized from the sample to a population. In order to achieve generalization, the sample must be representative (Welman et al. 2005: 55).

The research area of the study was Yeka Sub-City Abado Condominium housing. Therefore, sample of the households were covered by the researcher of this thesis. The other key important issue of this study was population of this research which was found under the geographical area of the study. Definitely the population for this study was the project parties (stakeholders) who were working in the projects; these were the engineering and social science experts and officers, the Addis Ababa Housing Project Office and Integrated Housing Development Program, the contractors and consultants, the huge number of temporary workers of the site. But the question was which population was more relevant to respond the researcher's questionnaires and interviews in terms of having adequate experience, knowledge, willingness and awareness to get better data, so the contractors, consultants, foremen, expertise, managers etc. of the direct participants of the project sites and the most important supporters of officials, experts and officers of the Addis Ababa housing project office were relatively good against the planning and implementation of Affordable housing for the poorest of the poor and low-income households.

Table 3.1: Size of populations that have information and experience to the research study

Sampling	Group of specific profession of the respondents					Total size of the population
	Human resource resource	Finance	Purchasing	Supply mgt.	engineers	
Kirkos project office site	5	14	9	7	32	67
Addis Ababa Housing project office	20	10	15	5	13	63
Households who were beneficiary of the 11 th and 12 th round						520
Total	25	24	24	12	45	650

Source: AAHPO, May 2019

3.2.2. Sampling

Welman et al. (2005) describe a sampling frame as a complete list in which each unit of analysis is mentioned only once. When compiling a sampling frame the following should be considered:

- 1) whether the cases included in the sampling frame are relevant to your research topic;
- 2) whether the sampling frame is complete and includes all cases;
- 3) whether the checklist is correct; and
- 4) whether you will be able to establish and control exactly how the sample will be selected. (Welman et al. (2005))

To investigate the planning and implementation of affordable housing in Addis Ababa in the selected research area it needed some basic understanding and experience about the current issues of affordable condominium housing, but there were problems to use organized or grouped homogeneous targeted population in order to gather the required

information. Then the better alternative way was purposively selected the more profession, experienced, knowledgeable, responsible and volunteer people related to the issue to respond for the questionnaires and interviews. Therefore, Kirkos Project office, and Addis Ababa housing project offices' employees were more appropriate to answer the questionnaires and interviews.

Table 3.2: Size of sampling that has relevant information and experience to the research study.

Sampling	Group of specific profession of the respondents					Total size of sampling
	Human resource resource	Finance	purchasing	Supply mgt.	engineers	
Kirkos project office site	3	7	4	4	14	32
Addis Ababa housing project office	11	5	8	3	7	34
HHs who live in Condominium(site 1)						127
Total	14	12	12	7	21	193

Source: AAHPO, May 2019

3.2.3 Sampling frame

Due to the high densities and huge population, 11th and 12th round winners are typical of the area were selected a sample of 127 households and 66 samples were taken from both kirkos project office site and Addis Ababa housing project office were determined.

3.2.4 Purpose sampling

Purposive sampling is said to be the most important type of non-probability sampling. When applying this method, the researchers depend on their past experiences and previous research findings to gather units of analysis in such a way that the sample they obtain represents the relevant population (Welman et al. 2005). This method was used to select samples from Kirkos project office site and Addis Ababa Housing Project offices.

3.2.5 Sampling size

The probability sampling method is used to collect data when one intends to generalise about the population under study. Welman et al. (2005) believe that the larger the sample size, the lower the chances of error in generalising. For the purpose of this study the sample size of 127 households drawn from the 11th and 12th round winners and a sample of 66 respondents from Kirkos project office site and Addis Ababa Housing project Office with a total of 193 sample respondents were drawn.

3.3 Data Collection Procedure

This section outlines the methods that were used to collect data from questionnaires and interviews. Interviews resemble everyday conversation, although they are focused on the researchers' needs for data. The conversations were therefore more rigorously conducted in order to maximize reliability and validity (Patton and Cochran, 2002: 11).

Regarding to the research design proposed above, both primary and secondary sources of data were preferred in this research to obtain the required data for conducting the research. The primary data both quantitative and qualitative are through questionnaires and interviews. Most of the information pertaining to the secondary data sources was obtained from published and unpublished documents, different researches, magazines, , Internets and information from Addis Ababa housing project office etc.

3.3.1 Interviews

Terre Blanche, Durrheim and Painter (2006: 297) believe that interviews create a more natural platform for interaction and connecting with respondents than making them complete questionnaires and it fits with interpretative approach of the research. Personal

interviews give the researcher an opportunity to get to know people quite intimately so that we can really understand how they think and feel. Semi-structured interviews were conducted with the population. Semi-structured interviews are often the sole data source for qualitative research projects and are usually scheduled in advance at a designated time and location outside of every day events. This type of interview is organised around a set of predetermined open-ended questions, with other questions emerging during the interview (DiCicco-Bloom and Crabtree, 2006: 315).

The researcher employed an important interview with the highest experienced members of the Addis Ababa housing project officials and Kirkos project office site, those officials are taken from different department such as project managers, finance department, purchasing and supply management and also sample house holds of the condominium residents.

3.3.2 Semi structured questionnaires

The questionnaires were organized in to three main sections. Section one basically looked at the status, affordability, policy situation housing type, income of the household respondents, and the effectiveness of the IHDP through close ended questionnaire from the selected residents. The second part of the questionnaire focused on obtained the information about factors that affect the planning and implementation of affordable condominium housing during the project process through close ended questionnaire from the selected respondents. The third section of the questionnaire looked at getting information by the help of open ended questionnaires from the sample respondents to more develop the closed ended questionnaires.

3.3.3 Secondary data collection

Published and unpublished data sources related to the planning and implementation of affordable condominium housing in Addis Ababa were utilized in order to support and make sense the efforts of primary data collected from questionnaires and interviews. These data were collected from kirkos project office site, Households of the study area, Addis Ababa housing project office, and internet etc.

3.4 Method of data analysis and interpretation

To analyze the data collected from primary and secondary sources using various methods, descriptive statistical method of analyzes such as frequencies, percentages, averages, etc. were used and the findings were described and presented in tabular format. Finally, the finding of the research would be interpreted and would be used to draw conclusions and recommendations.

CHAPTER FOUR :

DATA, PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents, data presentation, analysis and findings from based on different data sources regarding the planning and implementation of affordable housing for the poorest of the poor and low-income households(for the poor). The data was mainly collected from the questionnaires and interviews which were distributed to kirkos Project office site, Addis Ababa housing Project office and to the 11th and 12th round winners . A total of 149 questionnaires were given while 127 house hold respondents were filled and returned which accounts to 85.2 percent and 66 respondents filled and returned from kirkos Project office site,and Addis Ababa housing Project offices. In addition to the questionnaires, there were interviews conducted with two delegates of AAHPO, and Kirkos contractor project office site and the site vice manager and all of them were filled the interviews. Further of more, secondary data were collected from Addis Ababa housing project office, yeka Sub-city housing office and kirkos project office sites. The reason why the researcher used different data sources was to increase the reliability and validity of data. This in turn enhances the quality of the research findings up which the conclusion can be drawn /made. The data analysis is grouped in to three major sections; these are personal information of the respondents, some secondary data related to the study, detail analysis regard to the questionnaire and interviews in a combined manner and finally summary of the findings, because the content of the questionnaires, interviews and secondary data have the same objectives regarding to the research study. Finally, the data are summarized and presented in tables, frequencies and percentages in the whole process of this section.

4.1.1. General Information of the respondents

Table 4.1 household heads by age group

Household heads age	Number of Heads	percentage
18-25	6	4.7
26-35	44	34.6
36-45	57	44.9
46-55	13	10.2
56-65	4	3.1
>65	3	2.3
total	127	100

Source: questionnaires

Most of the sampled IHDP houses residents fall under the age group of 26-35 and 36-45. These groups cover 34.6% and 44.9% of the respondents respectively. All resident household heads were between the ages of 18 and 65. Among the households, 63% are male headed and the remaining 37% are female-headed households.

4.1.2. Analysis of IHDP (Condominium) House Affordability

According to the research finding, only 33% of those who reside in the IHDP house are homeowners while 67% are renters. Among the homeowners, 62 % are direct beneficiaries of the IHDP. The remaining 30% respondents bought it from someone else and 8% of respondents got the house from relatives who were the program beneficiaries. The research result shows that 52% of the residents are self-employed, 30% are government employees, 8% are private company employees, and 10% are unemployed. During the interview, the two unemployed people expressed that their relatives (especially their children) are supporting them. Despite this, 42.5% homeowners and 38.9% renters expressed that they are paying more than 50% of their income for mortgage and rent respectively. And in the case of those who are paying 31%-40% and 41%-50% of their income (after tax), renters cover 10.6% of respondents while homeowners are 8%.

4.1.3. Analysis of IHDP (Condominium Housing) Effectiveness

Table 4.2 low income IHDP target beneficiaries

IHDP target beneficiaries	Number of household respondents	percentage
Fully	4	3.1
Partially	73	57.5
Not at all	40	31
Don't know	10	7.9
Total	127	100

Source: questionnaires

As 57.5% of respondents agreed, it is partially that condominium houses are being used by low income IHDP target beneficiaries. This means some of the houses are either sold or being used for rent. According to 78% of the respondents, first and periodic payment is not affordable for low-income community members and the rest 17.3% of the respondents are agreed to somewhat affordable.

Table 4.3 IHDP Houses first and periodic payment affordability

Affordability	Number of household respondents	percent
Yes	22	17.3
No	99	78
Don't know	6	4.7
Total	127	100

Source: questionnaires

4.1.4. Analysis of the Condominium Houses Adequacy

Table 4.4 Condominium Houses Adequacy

Number of families	Number of Response of the household	percentage
1. 1-2	14	11
2. 3-5	93	73
3. > 6	20	16
4. Total	127	100

Source: questionnaires

The respondents have family members ranged from one to seven. According to the respondents of the households 73% of the households have between 3-5 family members and the rest 16% and 11% of the households have family members between 1-2 and more than 6 family members.

Table 4.5 payment burden

Percentage of rent payment from the total household monthly income	Number of household respondents	percentage
< 20%	0	0
21-30%	53	41.7
31-40%	65	51.2
41-50%	9	7.1
Payment completed	0	0
Total	127	100

According to the household respond, 41.7 percent expressed that they are paying between 21-30 percent of their income for mortgage and rent . And in the case of those who are paying 31%-40% are 51.2 percent of their income and the rest 7.1 percent of the household respond that they are paying between 41-50 percent of their monthly income.

Table 4.6: the type of house

Type of house	Number of residents	percentage
studio	8	6.7
1 bed room	58	45.7
2 bed rooms	47	37
3 bed rooms	14	11
total	127	100

Source: questionnaires

one bedroom house is where 45.7% of respondents live and accounts the largest households. The research result indicates 48.03% of residents feel that the number of rooms is sufficient for their family members. This means 51.9% of residents are living in the inadequate number of rooms. However, half of the renters who are living in the inadequate number of rooms still preferred to live in the same house due to its accessibility of transportation to their workplace. The other half preferred it for its affordability and necessary infrastructures (electric, water, road, market...)

4.1.5. Policy Situation

Table 4.7 Housing policy effectiveness in providing affordable(low-cost) housing

IHDP effectiveness	Number oh household respondents	percentage
Yes	42	33
No	51	40.2
Partially	27	21.3
Don't know	7	5.5
Total	127	100

Source: questionnaires

According to the respondents 40.2% of the households concluded that Housing policy is not effective to provide affordable (low-cost) housing, while 33% and 21.3 agrees on its effectiveness to some extent and partially respectively.

Table 4.8 factors related to client in the implementation of affordable condominium housing

NO	Major factor related to client	Scale						
		SA	A	UD	D	SD	Total	
1	Inappropriate problem in selection of competent consultants and reliable contractors to carry out the work of project	F	17	36	4	9	0	66
		P	25.7	54.5	6.1	13.6	0	100
2	Absence of good methods and systems in purchasing ,finance and supply management	F	19	34	2	10	1	66
		P	28.8	51.5	3	15.2	1.5	100
3	Unhealthy communication and insufficient coordination with contractor ,consultant and suppliers	F	12	39	0	15	0	66
		P	18.2	59.1	0	22.7	0	100
4	There are weakness in planning ,leading and controlling of the project activities	F	21	32	3	8	2	66
		P	31.8	48.5	4.5	12.1	3	100
5	Financial constraints faced by the owner	F	24	28	6	8	0	66
		P	36.2	42.4	9.1	12.1	0	100
6	Lack of committed leadership of manager	F	17	23	8	11	7	66
		P	25.8	34.8	12.1	16.7	10.6	100
7	Shortage of foreign currency	F	26	31	0	6	3	Total 66
		P	39.4	47	0	9.1	4.5	100

Source: Field work, May 2019

Note: SA-stands for strongly agree, A-stands for agree, UD-stands for undecided, D-stands for disagree and SD-stands for strongly disagree, lastly F-stands as frequency and P- for percentage.

The way to analysis the data is by grouping similar answers of the respondents' frequency and percentage such as strongly agree by adding to agree takes as an agreed with respect

to the question, undecided takes as it is and finally disagree plus strongly disagree consider as disagreed to the individual question. Table 10, row 1 states that about problem in selection of competent consultant and reliable contractor and the respondents said that 80.2 percent agreed with the idea, 6.1 percent they did not sure to decide, 13.6 percent disagreed. This data indicates that there is a problem concerned to the selection of consultants and contractors since an average of strongly agree and agree 80.2 percent of the respondents complained to this issue. Table 9, row 2 presents that 80.3 percent of the sample population agreed, 3 percent they did not sure what to answer about the question, 15.2 percent disagreed and 1.5 percent of the respondents strongly disagree. In short, the existence of the problem supported by an average of 80.3 percent respondents even though some respondents opposed to this problem, so the problem is existed according to the respondent's response. When we see table 9, row 3 about 77.3 percent agreed, and 22.7 percent disagreed.

The point is that an average of 77.3 percent respondents answered that there is Unhealthy communication and insufficient coordination with contractor ,consultant and suppliers , therefore, since most of the participants supported the case of the issue the problem is happened in the government activities of the project. According to table 10, row 4, 80.3 percent of the respondents believed that There are weakness in planning ,leading and controlling of the project activities, 3 percent of the respondents did not have clear information about the issue and 8 percent disagreed 2 percent of the respondents strongly disagreed. This shows that there are weakness in planning ,leading and controlling of the project activities, because most of the respondents supported the proposed issue. As we can see from table 10, row 5 the about 78.6 percent of the respondents replied that ,Financial constraints was faced by the owner , 9.1 percent they did not have clear answer to agree or disagree with the issue and 12.1 percent disagreed. These data show that since many respondents are supported the question of “Financial constraints was faced by the owner or government”, therefore participation of private sector (other alternative) is needed to solve the housing problem. When we look at table 10 row 6 about 60.6 percent of the sample population said that agree, 12.1 percent they did not decide what to say while 16.7 percent disagreed and 10.6 percent they strongly disagreed to the lack of committed leadership of manager. Table 10, row 7 show that 86.4 percent

of respondents agreed that there is Shortage of foreign currency, 9.1 percent disagreed and 4.5 percent had strongly disagreed. From this data we can say that the problem of foreign currency is very critical since the highest number of respondents support the issue.

Table 4.9 Critical failure factors related to client in the implementation of affordable condominium housing:

NO	Major factor related to Consultant	Scale		A	UD	D	SD	Total
		F	P					
1	Underestimation of deadlines, complexities and costs for the project works	F	18	30	10	5	3	66
		P	27.3	45.5	15.2	7.6	4.5	100
2	Lack of knowledge and experience in the organization's consultant	F	11	24	14	17	0	66
		P	16.7	36.4	21.2	25.8	0	100
3	Poor management and difficulty in controlling contractors	F	22	35	2	6	1	66
		P	33.3	53.1	3	9.1	1.5	100
4	Lack of commitment to ensure construction work according to specification and design	F	6	36	5	19	0	66
		P	9.1	54.5	7.6	28.8	0	100
5	Inadequate involvement to follow up and monitor the project progress	F	14	37	13	2	0	66
		P	21.2	56.1	19.7	3	0	100
6	Qualified technical staff are not employed by the consultant	F	18	32	2	14	0	66
		P	27.3	48.3	3.1	21.2	0	100

Table 11, row 1 for the question, underestimation of deadlines, complexities and costs for the project works 72.8 percent agreed, 15.2 percent abstained to agree or disagree ,7.6 percent of the respondents disagreed and 4.5 percent of the respondents strongly disagreed. It infers that since there are many participants assured to the underestimation of deadlines, complexities and costs of the project works it is considered as the major impact to the implementation of the housing. In the same table , row2 53.1percent of the respondents agreed, 21.2 percent undecided and the rest 25.8 percent of the respondents

disagreed. The result on lack of knowledge and experience in the organization's consultant not considered as an extreme constraint to the implementation of the housing continuity it is in between because the respondents' responses are balanced among the choices. As table 11, row 3 indicates 86.4 percent of the respondents agreed, 3 percent did not say agree or disagree and the remaining 9.1 and 1.5percent they said disagree and strongly disagree respectively. This result shows a very high response regarding to poor management and difficulty in controlling contractors, therefore, it is major weakness to the consultants' organization in the implementation of housing. On the basis of lack of commitment to ensure construction work according to specification and design in table 11, row 4 equal to 63.6 percent agreed, 7.6 percent undecided and 28.8 percent of the respondents said disagree. From the table 11, row 5 explains Inadequate involvement to follow up and monitor the project progress for this question 77.3 percent of the participants of the population agreed, 19.7 percent undecided and 3 percent disagreed. This result shows that since more than 50 respondents supported the proposed problem it is considered as the major impacts to the implementation of affordable condominium housing. Qualified technical staff are not employed by the consultant says in table 10, row 6 and the respondents replied that 75.6 percent of them agreed, 3.1 percent undecided and 21.2 percent disagreed. Based on the opinion of Addis Ababa housing project office employees at, kirkos project Site during the open ended interviews and questionnaires many respondents claimed that some consultants have poor quality of experience and specialized profession and the role of the consultant on the implementation of condominium housing project is often not fully understood by the other parties involved on the project.

Table 4.10 Factors related to contractor in the implementation of affordable condominium housing

NO	Major factor related to contractor	Scale		A	UD	D	SD	Total
		F	p					
1	Lack of experience and technical profession in the contractor's organization	F	17	38	3	6	2	66
		p	25.8	57.6	4.5	9.1	3	100
2	Poor planning, scheduling and handling of the project by contractors	F	22	35	3	5	1	66
		p	33.3	53.1	4.5	7.6	1.5	100
3	Financial difficulties and delays in payments to contractors	F	21	40	1	4	0	66
		p	31.8	60.6	1.5	6.1	0	100
4	Lack of Employees motivation due to low payment	F	27	34	3	2	0	66
		p	40.9	51.5	4.5	3.1	0	100
5	Wastage of resources around the project sites	F	20	35	5	5	1	66
		p	30.3	53.1	7.6	7.6	1.5	100
6	Adequate technical staff not employed by the contractors	F	14	31	11	7	3	66
		p	21.2	46.9	16.7	10.6	4.5	100

As we can see from table above 12, row 1 the respondents replied that about 83.4 percent lack of experience and technical profession in the contractor's organization, 4.5percent undecided and the rest 9.1 and 3 percent of the respondents disagreed and strongly disagreed respectively with the proposed idea. From the information above it is possible to explain that the contractor's main problem is lack of experience and technical profession during the project life cycle and this also leads to the implementation delay in time and escalation of cost. In the same table, row 2 regarding to poor planning, scheduling and handling of the project by contractors 86.4 percent of the participants agreed, 4.5 percent undecided, 17.6percent disagreed and 1.5 percent strongly disagreed. The output of this question is a critical issue to the contractor's organization because a large number of respondents gave their response about the existence of poor planning, scheduling and handling of the project by the contractor and this also affects the implementation of the project activities. Depending on financial difficulties and delays in

payments to subcontractors in row 3 about 92.4 percent of the respondents agreed, 1.5 percent undecided and 6.1 percent disagreed. This reveals that the contractors have shortage of financial capacities and also delay to pay to subcontractors and also this affects the implementation of the work. Concerning lack of employees' motivation due to low payment in row 4, 92.4 percent of the respondents agreed, 4.5 percent undecided and 3.1 percent disagreed. This shows that without employees' motivation nothing to do in the implementation of housing, because human resource is the major factors in every activity, so there is influence in the output of the implementation. Row 5 in the above table states that on the issue of wastage of resources around the project sites, about 83.4percent of them agreed, 7.6 percent undecided, 7.6 and 1.5 percent disagreed and strongly disagreed respectively. Lastly in row 6 on the point adequate technical staff not employed by the contractors 68.1 percent agreed, 16.7percent undecided ,10.6 and 4.5 percent disagreed and strongly disagreed.

The implication of the above row, 3 and 4 are taken as key constraints to the contractors because more than 90% of the participants of the population supported the occurrence of the problems though some peoples are undecided and disagreed to these issues. And from this the existence of these problems has a major obstacle to the implementation of housing.

Regarding to the opinion of Addis Ababa housing project office employees at head office, kirkos project site during the open ended interviews and questionnaires many people said that some contractors have lack of knowhow, experience, and specialized professions, for example, the contractors do not have specialized engineers, accountants and leaderships, simply the organization of contractors represented by un expected and single person to save their administrative costs and this follows problem on the performance of the projects, and finally the negative impacts of the project transfers to the individual beneficiaries of condominium housing. And also some contractors do not have commitment and love to their country, only their mind set is to get money from the government. Therefore, the higher officials of the project should focus on the selection of competent and reliable contractors to keep the housing efficiency and effectiveness.

Table 4.11 Factors contributing to delay time and cost of projects' implementation;

NO	factors affecting project time and cost	Scale						Total
			SA	A	UD	D	SD	
1	Poor site management and supervision	F	15	39	4	6	2	66
		P	22.7	59.1	6.1	9.1	3	100
2	Lack of consultant's experience and profession on engineering, procurement and finance	F	12	36	9	6	3	66
		P	18.2	54.5	13.6	9.1	4.5	100
3	Underestimation of costs and complexities of the projects	F	14	37	8	5	2	66
		P	21.2	56.7	12.1	7.6	3	100
4	Shortage and rising costs of materials and also delay in delivery to the project sites	F	27	33	4	2	0	66
		P	40.9	50	6.1	3	0	100
5	Inadequate number and modern equipment	F	19	34	6	5	2	66
		P	28.9	51.5	9.1	7.6	3	100
6	Lack of good management and leadership in planning, leading and controlling the project activities by owner	F	13	44	6	3	0	66
		P	19.7	66.7	9.1	4.5	0	100

In table 13 in the first row above regarding to poor site management and supervision 81.8 percent agreed, 6.1 percent undecided, 9.1 and 3 percent disagreed and strongly disagreed. Considering to lack of consultant's experience and profession on engineering, procurement and finance there were 72.7 percent agreed, 13.6 percent undecided, 9.1 and 4.5 percent disagreed and strongly disagreed respectively. Relating to row 3 for underestimation of costs and complexities of the projects 77.9percent agreed, 12.1percent undecided 7.6 and 3 percent disagreed and strongly disagreed respectively. In row 4 on the basis of shortage and rising costs of materials and also delay in delivery to the project sites 90.9 percent agreed ,6.1percent undecided and 3 percent disagreed. For the point of inadequate number and modern equipment in row 5, 80.4 percent agreed, 9.1 percent undecided 7.6 and 3 percent disagreed and disagreed respectively. For lack of good management and leadership in planning, leading and controlling the project activities by owner in row 6, then 86.4 percent agreed, 9.1 percent undecided and 4.5 percent disagreed.

Table 4.12 Factors affecting project quality during the implementation of affordable condominium housing:

NO	Factors affecting project quality	Scale		A	UD	D	SD	Total
		F	P					
1	Unavailability and delay in supply of materials as planned and specification during the construction	F	22	41	0	3	0	66
		P	33.3	62.1	0	4.5	0	100
2	Poor supply quality of labor ,equipment and raw materials in the projects	F	25	35	2	3	1	66
		P	37.9	53	3	4.5	1.5	100
3	Poor selection of well standard consultant and contractors during bidding	F	19	29	6	9	3	66
		P	28.9	43.9	9.1	13.6	4.5	100
4	Financial problems arise during construction	F	20	41	3	2	0	66
		P	30.3	62.1	4.5	3	0	100
5	Heavy and continuous rainfall during the project	F	6	10	9	26	15	66
		P	9.1	15.2	13.6	39.4	22.7	100

Row 1 table 14 said that unavailability and delay in supply of materials as planned and specification during the project time for this the answer of the respondents were 95.4 percent agreed, and about 4.5 percent disagreed. Regarding to poor supply of quality labor, equipment and raw materials in the projects the respondents assured that 90.9 percent of them agreed, 3 percent undecided 4.5 and 1.5 percent disagreed and strongly disagreed. In row 3 related to the question poor selection of well standard consultants and contractors during bidding the respondents of the sample population 72.8 percent are agreed, 9.1 percent undecided 13.6 and 4.5percent disagreed and strongly disagreed. Concerning financial problems arise during construction in row 4 about 92.4 percent agreed, 4.5 percent undecided and 3 percent disagreed. In row 5 on the problem of heavy and continuous rainfall during the project 24.3 percent agreed, 13.6 undecided 39.4 and 22.7 percent disagreed and strongly disagreed.

4.2 Detail analysis to the Interviews Response

The professionals expressed that they have worries regarding low-cost housing provision in Addis Ababa. These include:

- The increasing price of land and land scarcity
- Low quality/strength of condominium buildings which will undermine their life span
- Small size of condominium blocks.

They expressed that, though the demand for affordable housing is soaring, the current condominium blocks are not big enough to accommodate more number of households. The professionals expect that in the near future (20-30 years) the demand for the high-rising building will become evident. And this had to be put into consideration early before or at least at this time.

- Gap in the project management of affordable housing provision
- Insignificant participation of the private sector
- Financial institutions, contractors and consultants capacity gap which is affecting both time and quality
- Negative effect of the existing land policy
- Increment of jobless youths in the city who most likely cannot afford whatever cheap houses can be provided
- Increasing labor and material cost
- Increasing income difference

The major change areas that the interviewed professionals indicated are to:

- build low-cost houses in selected residence areas than in the city centers
- reduce the cost of land
- provide land and engage private real estate developers in the program to speed up the construction
- improve the project management practices of affordable housing provision

- minimize interest for mortgage payers
- improve policies to engage private sectors
- enable youths to become self-sufficient and generate income for their livelihood
- improving/changing the design of affordable houses and the materials they are built from
- be intentional to practice the right for decent and affordable house

Farther more, Addis Zemen newspaper complained that about the title under “unfinished and out of use for 12 years condominium housing project” The newspaper discovered around Addis Ketema sub city one block building which is started in 1997, but its progress stopped on the first flower and lacked any responsible and committed party of the government to finish the house (Addis Zemen Newspaper, Vol No. 186. Feb 15, 2017). Now the real capacity to build house is in the hands of the individual households and private sectors because some households and most of the private sectors they have capacity to build their house without wasting time and resources, therefore, the government should play its roles on the bases of mobilizing the whole society and government capacity to build house quantitatively and qualitatively, and the special effort of the government project should focus on the poor society. Generally, Addis Zemen newspaper also made interview with Deputy General Manager of Addis Ababa housing project office, under the title of “fulfilling house demand by only Addis Ababa housing project office (government) is very difficult” and the Deputy General Manager responded to the paper “it is impossible to fulfill Addis Ababa housing demand only by the interference of government and as a principle individuals should build their house”. He also addressed that about the challenges of international purchasing system, currency problem, and contract administration as a key problem to the project of condominium housing achievement (Addis Zemen News Paper, Vol.No.176, and March 05, 2017).

Concerning the open ended interviews and questionnaires the respondents said that they cannot talk about the quality of condominium housing in general, because the projects are composed of with different quality of materials, professions, technologies, leaderships etc. So the quality of the projects is not the same in all sites. But in some project sites it is

difficult to say quality of condominium housing are transferred to the beneficiaries, specially these projects that does not have infrastructure exposed to quality assurance because they do not have provision of water, electric and road availability from block to block specially these building does not get adequate water faced to poor quality of houses. The other problem that identified by the respondents is that the finishing of condominium housing project is very poor that beneficiaries exposed to extra costs after receiving the house from the government. Most of the respondents pointed out that the finishing cost they incurred very much amount of money because the government is transferred the project sites of the condominium housing before the projects they do not have completed finishing work and this cost is very headache to the individual households to finish the inside activities such as doors, windows, floor, walls, electric lines, water lines and to replace the agree stone work etc. So, basically the house looks like as a real house after an extra much amount of money is spent on, that means the final finished or end of the projects are done by the efforts of the households.

Furthermore, according to the interview of respondents, lack of infrastructural provision is one of the reasons for the condominium housing project weakness and the project cannot move in the right speed. Since the infrastructure sectors are part of (stake holders) the project their inefficiency and ineffectiveness are reflected on the construction of condominium housing activities. Because, when we take supply of electric power, water and road there are very important variable in the project sites that means they are independent variables that determine the time, cost and quality of the condominium housing. As a result, poor supply of infrastructure is going to have huge impact on the accomplishment of the project program. Therefore, the concerned body should give attention to provide adequate infrastructural service to minimize the problem of condominium housing projects. Finally, there is additional information to enforce this issue; Addis Ababa housing project office could not have delivered more than 225,000 houses to the registered residents within twelve years in the twelfth rounds of lottery, but more than 800,000 people who have registered for condominium housing are still they have being waiting for governments houses until now, so if the procedures' of condominium housing project is not assessed it will take 55 years to provide only for these registered house seekers (Addis Zemen Newspaper,vol,No172, Feb 14 ,2017).

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1. Summary

Initially, IHDP was developed and financed with the objective to bring affordable houses for very low-income and low-income households. Despite its successes on some other aspects, for instance job creation, it was unfortunate that the program could not provide affordable house for the very poor and even low-income segments of the city inhabitants. Referring the case of most of residents, neither the renters nor homeowners are enjoying affordable houses. According to the research finding, 58.2 of residents expressed that they are paying more than 31% of their income (after tax) for mortgage or rent. In addition, the research finding shows that, only 33% of those who reside in the IHDP house are homeowners while 67% are renters. It means most of the IHDP houses are used for renting which clicks another research for the question why. As a result implementation of affordable housing is not simply about constructing cheaper houses in the city. Also, it does not mean building low-quality houses. Affordable housing implementation and provision needs more integrated action beyond that. Otherwise, whatever good that can be done in Addis Ababa will attract additional population pressure to the city. This additional population will come with additional demand which depletes the city capacity to respond for its increasing inhabitants. Due to this, the vicious circle continues. This will make the problem even more complex. The city minded solution leads to an unbalanced resource distribution in the country, and brings economic and environmental pressure on the surrounding community. Therefore, amendment of relevant policies, proportional development of other cities, deployment of attracting incentives for people to migrate to other cities, splitting the capital city, investing on research and development, and improving private sector engagement are some of the important alternatives to alleviate the city from its heavy burden.

According to the research finding there are many problems concerning to the government such as problems in selection of competent consultants and reliable contractors, absence of good methods and systems in purchasing and finance and supply management, poor in planning and leading and controlling the implementation of housing project activities,

lack of leadership skills of project manager, and Financial constraints faced by the owner . With respect to the consultant the major problems indicated that there is lack of knowledge and experience in the organization's consultant, poor management and difficulty in controlling contractors. Similarly depending on the contractors key constraints described are lack of experience and technical profession in the contractor's organization, poor planning and scheduling and handling of the project, financial difficulties and delays in payments to subcontractors. Farther more, the constraints that was mentioned by the participant of the research was based on factors affecting time and cost of implementation of condominium housing projects are; poor selection of competent consultants and reliable contractors, Lack of qualified profession and leadership in planning and leading and controlling the project activities by owner, shortage and rising costs of materials and also delay in the implementation and of to the project sites, lack of consultant's experience and profession on engineering and procurement and finance, payment to contractors, poor site management and supervision, underestimation of costs and complexities of the projects.

5.2. Conclusion

According to the research finding, Most of the residents (67%) who are living in the IHDP built houses are not the program targets but renters. Among the 36% homeowners 62% are program beneficiaries. Other program beneficiaries either sold their houses or receiving from other relatives. For instance, 57.5% of the respondents agreed that it is partially that condominium houses are being used by IHDP target beneficiaries. 78 percent of the respondents also expressed the condominium houses are not affordable for very poor and low-income community members. Though 40.2% of professionals conclude that the housing policy is not effective, 33% of them considered that the effect of land policy on affordable housing is positive and the rest 21.3% and 5.5 percent partially agreed on the effect of the land policy and did not answered respectively.

Despite a strong commitment of the government to address house issues in Addis Ababa, attempts to deliver affordable houses house for the poor and low-income households using a strong public sector orientation did not adequately address the housing needs of these citizens. The thesis approved that there is limited capacity of government in the implementation and provision of affordable houses in the study area though the government promised and planned to build many condominium housing for the very poor and low-income households. Until now there is high gap between supply and demand for housing in Addis Ababa, but the government has tried to build affordable condominium house without addressing the problems in the city. The housing problem is needed the collaboration of the public and private sector to maximize their efforts because no one can cover the role of the private sector alternatives inters of providing adequate and affordable housing.

5.3. Recommendation

Rather than jumping in to a quick fix, for instance letting the government to build more houses, it is good to examine a wider perspective of the nation to make affordable housing affordable. Especially for a poor country like Ethiopia with constraints of resources like finance and skilled man power, dumping all the solution to the government can never be the rewarding option. But the government has to play its own role while the stakeholders do the same. Concluding the cost of house as caused by only due to the construction materials would be wrong. It is important to examine the community ability, focus on R&D and make use of any available resource for affordable housing implementation and provision. To the context of Ethiopia, specifically Addis Ababa, considering the below points would help for a better Affordable Housing implementation and Provision.

- **Policies Amendment:** Affordable housing needs the support of policies. The land, financial and housing policies have to be tailored in a way that can cultivate the implementation and provision of affordable housing for very poor and low-income Ethiopians. Policies have to be devised in a way to increase the supply of land, to create accessible and sustainable financial resource, and to make house construction cheaper, The government should pay special attention in facilitating a comprehensive national housing policy by providing land, funds, discounted interest rate, and infrastructures to participate the private sector and the individual citizens to solve the housing deficit.
- **Improving private sector participation:** Rules and regulations have to be in place that drives the private sector to play its role and progressively take over the housing sector from the government. Opportunities have to be opened and their capacity has to be developed in order to make the effort successful and long lasting. Opening doors for capable national and international companies and encouraging them to be involved in financial, research, manufacturing and real estates development can accelerate the implementation and provision of low cost housing.

- **Creating job opportunities:** As the current practice is also manifesting, creating employment opportunity has to be the central objective of affordable houses implementation and provision due to the fact that unemployed people can hardly afford even houses that are considered cheaper. As a result, unemployed youths have to be the major participants of housing development and related industries.
- **Managing the effect of inflation and devaluation:** However, doing whatever efforts without controlling inflation and devaluation might neutralize the effort of cheaper houses provision and implementation. Hence, the country needs to work on increasing its production. For instance, increasing food production and managing its distribution can help to minimize the food inflation. This will enable households to save more and plan for their house. Production of different housing materials and processed goods can assist the country to meet the domestic need and to export abroad. This fills the gap for the hard currency needed to finance the housing sector and minimize the effect of devaluation on the imported products.
- **Government should focus on selection of competent consultants and reliable contractors:** to carry out the implementation and provision of affordable condominium housing. It should also assure continuous coordination and relationships among project participants are required throughout the project life cycle for solving problems and development project success.
- **Government should focus on strong political commitment:** at all levels of administration to address the major challenges of the integrated housing development program (IHDP), and appropriate organizational structure is needed including with better higher management and experts to monitor and assess the project activities.

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Appendix

Addis Ababa University, College of social science , Department of Geography and Environmental Studies, Master’s Program in Urban and Regional Development planning.

Research Title: Planning and Implementation of Affordable Housing for the poorest of the poor and low-income households: The Case of Yeka Sub-City of Addis Ababa.

Questionnaire to be filled by households in Abado Condominium

Introduction: Thank you for your willingness to participate in this study as a respondent.

This questionnaire used to collect data for the master’s research entitled. “Planning and Implementation of Affordable Housing for the poorest of the poor and low-income households The Case of Yeka Sub-City of Addis Ababa.

Your experiences and opinions will significantly add value as an input to this thesis.

The researcher assures you that the information you provide used only for academic research purpose and anonymity of the respondent maintained throughout the research process.

Thank you for your cooperation.

Appendix 1: Sample Questionnaire for Household Survey

Please tick the box or answer on the space provided

Socioeconomic data

1. Sex 1) male 2) female
2. Age: A. 18-25 B. 26-35 C. 36-45 D. 46-55 E. 56-65 F. 65>
3. Family size 1) 1-2 2) 3-5 3) 6 or above
4. Percentage of income goes to rent or mortgage 1) below 10% 2) 11-20% 3) 21-30% 4) 31- 40% 5) 41 -50% 6) Above 50%
5. House type 1) Studio 2) 1-bed room 3) 2-bed rooms 4) 3- bedrooms
6. Do you get the housing policy effective in the implementation or providing affordable housing? yes no c. partially d. Don’t know

7. Do you think those who are living in houses built by Integrated Housing Development Program (Condominium Housing) are those, targeted, low income beneficiaries? Fully Partially Not at all Don't know
8. Do you think first and periodic payment of condominium house is affordable for the poor community? Yes No Don't know
9. Do you own or rent your current residence? Own Rent
10. If you are the owner, how did you own it? Bought from someone else Received from relative Received from Government (beneficiary)
11. Household Head Employment type:
- A. Self-employed/entrepreneur
 - B. Government employee
 - C. NGO (Humanitarian) employee
 - D. Private company employee
 - E. Contract employee
 - F. Have more than one job
 - G. Unemployed
 - H. Retired

Appendix 2:Closed ended questionnaire for the selected sample respondents:

Addis Ababa University, College of social science , Department of Geography and Environmental Studies, Master’s Program in Urban and Regional Development planning.

Research Title:Planning and Implementation of Affordable Housing for the poorest of the poor and low-income households: The Case of Yeka Sub-City of Addis Ababa.

Questionnaire to be filled by kirkos project office site and also Addis Ababa housing project office employees who are familiar with and participated in the project sites of the mentioned sub city.

1. Critical failure factors related to client in the implementation of affordable condominium housing:

For the following questions, please put (X) mark in the box corresponding to your preferred response using the scale below: SA: Strongly Agree A: Agree UD: Undecided D: Disagree SD: Strongly Disagree

Major weakness factors related to client Scale

NO	Major factor related to client	Scale				
		SA	A	UD	D	SD
1	Inappropriate problem in selection of competent consultants and reliable contractors to carry out the work of project					
2	Absence of good methods and systems in purchasing ,finance and supply management					
3	Unhealthy communication and insufficient coordination with contractor ,consultant and suppliers					
4	There are weakness in planning ,leading and controlling the project activities					
5	Financial constraints faced by the owner					
6	Lack of committed leadership of manager					
7	Shortage of foreign currency					

2.Critical factors related to consultant in the implementation of affordable condominium housing

For the following questions, please put (X) mark in the box corresponding to your preferred response using the scale below:

SA: Strongly Agree A: Agree UD: Undecided D: Disagree SD: Strongly Disagree

Critical failure related to consultants

NO	Major factor related to Consultant	Scale				
		SA	A	UD	D	SD
1	Underestimation of deadlines, complexities and costs for the project works					
2	Lack of knowledge and experience in the organization's consultant					
3	Poor management and difficulty in controlling contractors					
4	Lack of commitment to ensure construction work according to specification and design					
5	Inadequate involvement to follow up and monitor the project progress					
6	Qualified technical staff are not employed by the consultant					

3. Factors related to contractor in the implementation of affordable condominium housing:

For the following questions, please put (X) mark in the box corresponding to your preferred response using the scale below

SA: Strongly Agree A: Agree UD: Undecided D: Disagree SD: Strongly Disagree No

Major failure factor related to contractors

NO	Major factor related to contractor	Scale				
		SA	A	UD	D	SD
1	Lack of experience and technical profession in the contractor's organization					
2	Poor planning, scheduling and handling of the project by contractors					
3	Financial difficulties and delays in payments to contractors					
4	Lack of Employees motivation due to low payment					
5	Wastage of resources around the project sites					
6	Adequate technical staff not employed by the contractors					

4. Factors contributing to delay time and cost of projects' implementation;

For the following questions, please put (X) mark in the box corresponding to your preferred response using the scale below:

SA: Strongly Agree A: Agree UD: Undecided D: Disagree SD: Strongly Disagree No

Factors affecting Project time and cost

NO	factors affecting project time and cost	Scale						
		SA	A	UD	D	SD	Total	
1	Poor site management and supervision	F P						
2	Lack of consultant's experience and profession on engineering, procurement and finance	F P						
3	Underestimation of costs and complexities of the projects	F P						
4	Shortage and rising costs of materials and also delay in delivery to the project sites	F P						
5	Inadequate number and modern equipment	F P						
6	Lack of good management and leadership in planning, leading and controlling the project activities by owner	F P						

5.Factors affecting project quality during the implementation of affordable condominium housing:

For the following questions, please put (X) mark in the box corresponding to your preferred response using the scale below:

SA: Strongly Agree A: Agree UD: Undecided D: Disagree SD: Strongly Disagree No

Factors Affecting project Quality

NO	Factors affecting project quality	Scale				
		SA	A	UD	D	SD
1	Changes in design ,plan and schedule frequently					
2	Unavailability and delay in supply of materials as planned and specification during the construction					
3	Poor supply quality of labor ,equipment and raw materials in the projects					
4	Poor selection of well standard consultant and contractors during bidding					
5	Improper training ,motivation and payment to labor					
6	Financial problems arise during construction					
7	Heavy and continuous rainfall during the project					

Appendix 3: Interview for Key Sample Informant Interviews

Addis Ababa University, College of social science , Department of Geography and Environmental Studies, Master’s Program in Urban and Regional Development planning.

Research Title:Planning and Implementation of Affordable Housing for the poorest of the poor and low-income households households: The Case of Yeka Sub-City of AddisAbaba.

Questionnaire to be filled by kirkos project office site and also Addis Ababa housin project office employees who are familiar with and participated in the project sites of the mentioned sub city.

Introduction: Thank you for your willingness to participate in this study as a respondent. This questionnaire used to collect data for the master’s research entitled. “Planning and Implementation of Affordable Housing for the poorest of the poor and low-income households: The Case of Yeka Sub-City of Addis Ababa.

Your experiences and opinions will significantly add value as an input to this thesis. The researcher assures you that the information you provide used only for academic research purpose and anonymity of the respondent maintained throughout the research process.

1. How do you evaluate the status of the implementation of affordable condominium housing project performance against the planning?

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2. What are the major weaknesses of affordable condominium housing in terms of quality, time, and cost and client satisfaction?

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3. How much is achieved the implementation of affordable condominium housing until now compared to the planning?

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4. What are major factors that affect the quality of affordable condominium housing projects?

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5. What major factors do you observe that affect the time schedule and cost of construction in the implementation of housing?

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6. Do you think that only government can achieve the provision of affordable condominium housing compared to the high demand

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7. Does government follow well flexible methods and systems in purchasing, finance and supply management to speed up the implementation

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9. What other major constraints do you observe during the implementation of affordable condominium housing?

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10. What interventions are most effective for promoting participation in implementation affordable housing for the poor?

