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ADDIS ABABA UNIVERSITY
COLLEGE OF DEVELOPMENT STUDIES
CENTER FOR URBAN, REGIONAL AND LOCAL DEVELOPMENT
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Practice and challenges of residential housing provision in Oromia
region: the case of Sululta Town.

M.A. Thesis

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Addis Ababa, Ethiopia

College of development studies
Center for urban, regional and local development studies
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Practice and challenges of residential housing provision in Oromia
Region: the case of Sululta Town.

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A thesis submitted to Addis Ababa University, College of the development studies Center for urban, regional and local development studies in the partial fulfillment of the requirements for the award of a master's degree Urban Development and Livelihood Program

August, 2020
Addis Ababa, Ethiopia

DECLARATIONS

I, the undersigned, declare that this thesis is my own and original work and has not been presented for a degree in any other university and that all sources of material used for the thesis have been duly acknowledged, following the scientific guidelines of the university.

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Confirmation

This final thesis has been submitted for examination with my approval as an Institute`s advisor.

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APPROVAL

This is to certify that the thesis prepared by Alemu Share Wakjira entitled “Practice and challenges of residential housing provision in the Oromia region: The case of Sululta Town” and Submitted in Partial Fulfillment of the Requirements for the Degree of Masters of Art in Urban Development and livelihood obey with the regulation of the University and meets the accepted standards concerning originality and quality.

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ABSTRACT

This research has been conducted in the Sululta town of Oromia regional State of Ethiopia with a general objective of investigating the practice, challenges, and major constraints in housing provision. Thus a review of policy and regulatory as well as opportunities for a better housing provision in the town have been investigated through purposive and random sampling of a total of 377 respondents who were selected from the two kebeles of the town. To achieve the objective of the study both qualitative and quantitative methods of data analysis were used. Descriptive statistics such as percentage, means, Cross tabulation, graphs, charts, etc. were also used and to assess the magnitude and direction of the association between the dependent variable of housing tenure and independent variables with 8 demographic characteristics of the household a bivariate correlation analysis was used. STATA-12 was used to enter the data into the computer for analysis.

The Result of the study shows that Sululta Town is faced with the problem of poor housing provision for urban residents. The analysis of the housing tenure status of the respondents revealed that a great proportion of respondents do not have their own private houses. The majority 54.91% of is renters, 22.81% informal settlements, and only 23.34% of the housing units are owner-occupied. The housing tenure of the respondents is a strong correlation with income. Despite this, in the study area, the main factors identified as the bottleneck for the provision of housing include poor access to finance, interference of local brokers in housing issues, lack of efficiently and effectively using the existing land and supply, the policy problem, the rapid rate of urbanization and lack of the efforts of urban administration to address the problem. In addition to these factors, household demographic characteristics such as gender composition, length of continuous residence in the town and monthly income of the households affect access to the housing of the respondents in the town. Moreover, income is relatively, strong correlation, and significant association with housing tenure. The survey result reveals that the poor housing provision is increasing rental housing prices, affects the socio-economic life of individuals, forced to evict informal settlement conditional and unconditional time, and being unable to get adequate rent and formal houses for large family size in the study area.

Therefore, it was recommended that responsible bodies better pay attention to the issue of improving the current problem of housing provision in the town. It is important to re-design the program of the lease and implementation, it is better to giving priority for urban poor and legalized the existing informal settlement to minimize the problem and controlling unplanned growth of urbanization, it is important to design or make effort to attract involvements of community, private enterprises, NGO'S and integrated development plan with Addis Ababa particularly in housing provision for urban residents and it is important to recognize a strategy that should be included the issue of social and economic development new city in rural areas.

Key words: - urbanization, housing, challenges, housing provision, housing policy, affordability

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ABBREVIATION AND ACRONYMS

CEDPCO	City Economic Development and Planning Commission Office
CPF	Central Provident Fund
CSA	Central Statistical Agency
FGD	Focus Group Discussion
GDP	Growth Domestic Product
HUD	Housing and Urban Development
IHDP	Integrated Housing Development Program
Mo FED	Ministry of Finance and Economic Development
MOWUD	Ministry of Housing Development Program
SPSS	Statistical Package for Social Science
SSA	Sub-Saharan Africa
TGE	Transitional Government of Ethiopia
UN	United Nations
UNCHS	United Nations Center for Human Settlement
UNESCAP	United Nation Economic and Social Commission for Asia and the Pacific
UN-HABITAT	United Nations Human Settlement Program

1. INTRODUCTION

1.1. Background

Urbanization has been the 21–century demographic phenomenon because more people are changing residence from rural to urban areas. Because of the increasing globalization and interconnectedness of the global, over half of the world’s population lives in urban areas. This brings further profound changes to the dimensions and spatial distribution of the world population. The continuing urbanization and overall growth of the world’s populations are projected to future 2.5 billion people of the urban population by 2050, with nearly 90 percent of the rise concentrated in Asia and Africa (Dorosh and Thurlow, 2014). This rapid urban growth was magnified by various factors, including rural to urban migration, social, cultural, economic, and technological change. Such rapid urban growth and consequential change have their own positive as well as negative consequences on the country's development (Alaci, 2010).

According to UN-HABITAT (2002), Urbanization is also a developing phenomenon that comes about with the development of a country’s economy in general and industrialization in particular. It follows that the rate of urbanization is taken into account be one of the indicators of a country’s economic development. The rate of urbanization is directly associated with the demand for houses. It is expected that as a country becomes more urban, more houses were needed to accommodate the increasing population in urban centers. The practice, however, doesn't support there in the acceleration in urbanization is not accompanied by the provision of housing.

Housing is also a Fundamental to households in both developed and developing economies because it's the biggest fixed capital investment that households make both in developed and developing countries (Malpezzi, 2000). The United Nations states that each citizen of the world is entitled to be sheltered. Yet, a good a part of the world's population is housed in unfit and unhealthy dwellings and physical surroundings. Thus, more than one billion of the world's city residents live in inadequate housing, mostly in the sprawling slums and squatter settlements in developing countries (UNCHS, 2001).

According to the World Bank (2020)’’ in a bid to slow the spread of the COVID-19 pandemic, over the past month's governments across the world have ordered billions of people to stay at

home, wash their hands frequently, and self-quarantine if they develop symptoms''. These are critical recommendations. But what if that home has no running water for frequent hand washing? What if there is no refrigerator to store food and only one bedroom for six members of a single-family? This question should find a solution by governments across the world. Unfortunately, that's the situation for a significant proportion of the population in developing countries. Over 2 billion people do not have access to flush toilets, and hundreds of millions do not even have access to running water. These unsanitary homes are a breeding ground for the spread of infectious diseases, including COVID-19. Besides this COVID-19 guidance tells '' many of us to stay at home''. But, what if you have no home to go to? (UNICEF, 2020). According to this idea, housing is everything for human beings and the shortage of housing should be solved by concerned bodies.

According to the United Nations, nearly all urban increment through 2050 will happen in developing countries (UN 2015). Africa no exception and Africa's total share of the world's urban population will nearly double from 11.3% in 2010 to 20.2% in 2050. Due to the fast urbanization, most African states are unable to house with the housing needs of the present urban populations. Currently, one-fourth of the world's 100 fastest-growing cities are in Africa, where there are now 52 cities with greater than one million residents (UN Habitat 2014). Sub-Saharan African cities gain about a million new urban dwellers once a year and therefore the region is on pace to match the amount of 70 % urbanization in Europe and North America (UN, 2014).

The governments of those developing countries take different housing delivery options to overcome the problem. Among these, house delivery through housing cooperatives has been practiced in several countries to solve the housing shortage. It's thus far become a reliable house delivery strategy because house construction is very capital intensive and not many people can afford to build from their financial resources (Mhekela & Kombo, 2015).

Ethiopia is also characterized by the low level of urbanization even by African standard, where only 19.4 percent of the population lives in urban areas. Despite this, it's recorded at a comparatively high rate of growth, urban population (4.4%) annually; double that of rural areas (MoFED, 2008). However, urban centers in Ethiopia are characterized by massive housing

problem around 70-90% of urban population are residing in substandard housing, low economic activities, growing population, inadequate upgrading, etc. (UN habitat, 2008).

According to Abraham (2007) shortage of housing in Ethiopia is one of the major problems that require immediate action. Even the majorities of homes in Ethiopia are below the minimum standard and lack adequate space. The extent of provision for water supply, electricity, and drainage is also very minimal. These affect the livelihoods and health of people living in these houses. All these will continue within the future unless major improvements are made within the housing markets and therefore the expansion and improved provision of infrastructure and basic services.

Recently Sululta town has experienced rapid expansion and high growth, which resulted in the high concentration of low-income populations. During this, neither town's administration nor private housing developers can supply housing for the urban population. As a result, a rise in residential housing demands has been growing within the town. The current housing supply is provided through individual effort (self-built) which supplements only a few public or kebele houses (60) provided during the military regime.

This shortage of housing could be attributed to financial constraints, interference of local brokers in the issue of housing, an imbalance between demand and supply, high construction materials cost. Therefore, considering the problem related to housing provision for urban residents within the study area; Investigation of current existing housing provision challenges, effects on urban residents, major factors that affect and the mechanism to improve these services is believed to be important for responsible bodies gain a better understanding of these challenges and issues associated with housing provision in Sululta town.

1.2. Statement of the problem

The rapid process of urbanization in developing countries accompanied by a lack of adequate and affordable housing provision is one of the 21st century's main development challenges. By 2025, nearly half of the expanded population will live in cities as a result of sustained urbanization, putting pressure on the formal housing provision (United Nations, 2012). This expansion is an indicator of the change from a rural-based economy to urbanization and as such,

it linked to growth and development, but it also brings huge problems like shortage of housing (Martin, 2008).

According to WB (2015), the urban population of Ethiopia is expected to triple as it grows from 2012 to 42.3 million in 2037. Referring to CSA data, the study also kept the estimation that the rate of urbanization will grow from 3.8 to 5.4 percent a year, which makes the growth of the urban population to be triple even earlier. This shows that the critical challenges of the country have to provide housing for urban residents. The combination of high population and urban growth rates coupled with a high prevalence of urban poverty has placed enormous strain on Ethiopian cities. 80% of the populations live in sub-standard slum housing that needs either complete replacement or significant upgrading.

Furthermore, cities of Ethiopian suffer from a high degree of homelessness, environmental degradation, and urban decay, a shortage of infrastructure and basic services, and high unemployment. These factors combined with the previously stated factors make the provision of affordable housing difficult: the lack of affordable housing provision, healthy housing for all sectors of the population (UN-Habitat, 2011).

To reduce the problem in 2005 the government of Ethiopia has implemented the project, Integrated Housing Development Program (IHDP) where houses are constructed with low cost for medium and low-income groups. The goal is to reduce the proportion of slum-dwellers, but still, there is a shortage of housing provision (UN habitat, 2010).

Ethiopia is also one of the poorly developed countries characterized by the housing shortage and poor housing, infrastructure, especially for those living in urban areas. These problems are caused by low per capita income, low investment in housing, and the rapid growth of population, massive urbanization, the rising cost of building materials, and the low income of urban dwellers to afford decent and standard housing, low investment or scarcity of financial resource to increase housing development low supply of serviced residential plot (Yewoinshet, 2007).

Wondimu (2011) noticed that there's a wide gap between housing demand and actual supply in all urban centers of the country that created a chronic shortage of housing because of

accumulated demand over time, which indicated by the significance of the overcrowding and increased number of homeless people.

According to Abraham (2007), the owner-occupied shortage of housing is one of the major problems that decision for immediate action. Even the majorities of homes in Ethiopia are below the qualitative standard and lack adequate space. The extent of provision for water supply, electricity, and drainage is additionally very minimal. These affect the lives and health of people living in these houses. All these will continue in the future unless major improvements are made in the housing markets and the expansion and improved provision of infrastructure and services.

Sululta Town is also one of the eight Oromia cities surrounding Addis Ababa, which received special attention during the 2007 city reform. As a result of this, the town has experienced tremendous growth in terms of economic activities. This has triggered growth in population through migration. Additionally, its geographical location has triggered the expansion of business activities. These and other factors have forced many to relocate business and residence from the national capital, putting more pressure on the town. On the other hand, significant housing units in old Sululta are found to be run down and overcrowded. In addition to this, the new entrants within the city have even aggravated the situation. This has left low-income households with little or no option. The majority has reverted to informal housing, which makes them vulnerable to eviction.

Most of the literature or researcher identifies and revealed the problems of housing supply and demand mainly at the national Capital level thematically on the condominium or public houses rather than housing provide challenges at the town level and geographically, there are no studies done on the housing sector in sululta town. Therefore, this study is going to be tried to fill the gap through analyzing the present challenges, major factor constraints, the effects of a poor residential housing provision on the urban households and recommend the mechanism to improve the problem.

1.3. The objective of the study

The general objective of this study is to investigate the practice and challenges of providing affordable housing and explore opportunities that could help in alleviating the problem in Sululta town.

1.3.1. Specific objective

- To assess the existing housing situation and affordability in the town.
- To review the relevant policy and regulatory instruments.
- To identify the challenges and constraints, and also opportunities for housing provision.
- To identify the effects of poor housing provision on the residents of the town.

1.4. Research Questions

The central question of this paper aims to answer why housing provision is unsatisfactory in the town as well as try to find a possible answer to the following questions:

- What are the existing housing situation and affordability in sululta town?
- What are that the policy and regulatory issues contributing to the problem?
- What are the main challenges and opportunities for housing provision in the town?
- What are the effects of poor housing provision on the residents of the town?

1.5. Significance of the study

Housing has become a vital public issue in almost all societies of the world. Especially a housing problem devastates the urban poor hardily. This study may have various significances for various stakeholders in general and particularly for residents of Sululta Town. It contributes a better practical understanding of the challenges of existing housing provision for urban residents in Sululta town. In another way, the study will provide information about general housing characteristics, policy review and regulatory instruments, effects and the problem of shortage, housing provision in urban areas and it gives policy inputs that indicate the compatible provision modalities and how to avoid challenges and constraints of provision problems.

1.6. Scope of the study area

The scope of the study is spatially determined by the Sululta Town among the eight towns in special Zone surrounding Finfinnee of Oromia Regional State. The thematic scope focuses on the major challenges, review policy, and regulatory and major factor constraints in residential housing provision and opportunities of housing provision within the town.

1.7. Limitation of the study

The major limitation that faced when conducting this research is difficult identifying formal housing owners, rented, and informal housing households. The other major challenge is due to the pandemic COVID-19 affects all about the world of the population, including Ethiopia; it was difficult for data collection from the sample of the population, FGD, and interviews at the given time. But, as much as possible by keeping the WHO advice to protect Coronavirus, all data were collected as planned. The third limitation was the unavailability of well documented and organized evidence in the towns' administration regarding housing provision practice. Finally, some transparency problems on the part of officials and respondents were faced to give detailed information that; they think the result of the study is merely used for the personal benefits of the investigator.

1.8. Organization of the Thesis

The study consists of five chapters. The primary chapter deals with the introductory part, which includes: background of the study, a statement of the problem, objectives of the study, research questions, significance of the study, scope and limitations of the study, and organizations of the thesis. The second chapter focused on the review of related literature that gives about conceptual frame on housing, the definition of urbanization, global approaches to housing provision, the right to adequate housing provision, housing affordability and accessibility, and challenges of housing provision in developing countries, the major factor constraints of housing provision, institutional framework for housing provision, housing provision challenges in Ethiopia, government effort and housing provision strategies in Ethiopia.

The third chapter consists of the methodology part that describes the study area, research design, sources of data, sampling procedure, and sample size, methods of data collection, and methods of data analysis. The fourth chapter provides a data presentation, analysis, and discussion. Finally, chapter five presented the summaries of the findings, conclusions, and possible recommendation.

1.9. Definition of key terms

Housing: -housing refers to more than the tangible house structure and includes the infrastructure and services that provide the house. This includes the nature of the water, sanitation, energy, access roads, and footpaths (Charlton, 2004).

Housing affordability: -is referring to the willingness and ability of households to pay to consume a housing service, which depends on the housing price, household income, and the terms and availability of mortgage finance (Azeb, 2007).

Household:-it is an arrangement made by persons, individually or groups for providing themselves with food and other essentials of living (UNCHS, 2001).

Housing shortage: -the difference between the total number of households and the total number of housing units in giving geographical units as a result of market excess of households over housing units (Tadesse, 2000).

Urbanization: - the UN defines urbanization as the course of a shift in population from a rural to more urban civilization. Numerically expressed, urbanization denotes the increases in the share of the population that resides in urban areas predominantly because of net rural to urban migration (UNFPA, 2007).

CHAPTER THREE

2. REVIEW OF RELATED LITERATURE

2.1. Definition and concepts of housing

Housing is one in every one of the necessities for human survival. Housing means the living environment, which protects man from harsh physical and social conditions. At its most elemental level, it addresses the basic human needs by serving as a shelter, giving protection against excessive cold and warmth, rain, high winds, and other unfavorable climate. If housing is inadequate because of overcrowding and substandard conditions, it undermines human health and well-being. At the household level, housing also fulfills important functions. It provides a physical enclosure for domestic behavior an area for daily activities, where people cook, eat, socialize, and rest, away from the public realm and a place where, in many cultures, they are born and die (UNCHS, 2001).

Houses don't seem to be just about places to measure, but also their assets for his or her. It can be used to generate income through home-based business activities and it can also serve as collateral for loans for the owners (HABITAT & UNESCAP, 2008:4). It can be summarized that owning a house is fulfilling one's basic needs and right as well. Also, good housing condition improves the health and the productivity of the inhabitants and thereby contributes to their well-being and also to the broader economic and social development of the society and the nation at large.

2.2. Theoretical review of related literature

2.2. 1. The World Urbanization Tendency

Urbanization is soaring; cities are getting the drivers of the economy, and rural-urban migration is accelerating. Cities are generating more than 80% of world GDP (World Bank, 2017 it was only 3% and 14% of the world's population resided in urban areas in 1800 and 1900 respectively (Barken, 2012). Within the 50 years, the urban population has increased dramatically and this trend will continue for at least 30 years because of the very fact that increasing people that those

that born in cities and rural-urban migration (UN-HABITAT, 2003). Today, over half, 54% of the world population reside in urban areas (UN-HABITAT, 2016).

Referring to Tdaros (2000) and medial Hove expressed that about 16% of the sub-Saharan African country's urban population is accounted for by migration from rural areas and it increases to 75% for some exceptions. The identical article states that the main factors of the rural-urban migration in these countries are two. The primary one is poverty in rural areas. According to him because of low agricultural productivity and aggravated by demographic growth. The second factor is increased neglect in rural areas in terms of resource allocation which makes them under-served in terms of physical, financial, social, and economic infrastructure (Hove, 2013). Though urbanization is higher in developed countries, its growth rate is much faster than within the least developed parts of the world with Africa is the most rapidly urbanizing.

Africa's urban growth rate is 11 times more rapid than the growth rate of Europe (UN-HABITAT, 2016). Urbanization comes with its pros and cons that are reflected in both urban and rural life. The rapid urbanization problems include inadequate housing provision, unavailability of basic infrastructure, complex urban management, and environmental pollution. According to UN-Habitat, 40 percent of the world's population will need proper housing by 2030 and this suggests our world should complete and supply 96, 150 housing units per day. Though providing such houses is more challenging for developing countries, Africa and Asia are urbanizing faster than the other region. By 2050, these regions are projected to become 56 % and 64 % urban, respectively (United Nations, 2014).

The same is true for Ethiopia. A World Bank, 2015 analytical study kept the Ethiopian urban population growth as it will triple to 42.3 million in 2037 from 2012. Referring to CSA data, the study also kept the estimation that the rate of urbanization will grow from 3.8 to 5.4 percent a year, which makes the growth of the urban population to be triple even earlier. This shows that the heavy challenges of the country have to provide housing for urban residents.

2.2. 2. Housing provision in global perspective

The way within which housing provision for the urban household has been approached over time is difficult to generalize, because of the variety of approaches taken by various cities as they seek to manage urban growth. This diversity is because of different cities or contexts as noted within the quote below it's about the directions. When two governments appear to have similar housing policies, they probably arise from different motives and many have very different implications for his or her citizens (Hardoy & Satterthwaite, 1997). Nonetheless, at a worldwide level, the evolution of dominant trends is evident and it can provide valuable lessons for development actors who try to combat the intensifying demand for adequate shelter.

In most Third World countries, housing the urban residents in suitable conditions is an uphill battle. The pace of urbanization, the speed of the economic process, the provision of land for housing, the rise in land prices, and appropriate strategies for urban planning and land appropriation all directly contribute to the current problem. Most governments have attempted to implement housing programs to accommodate their urban residents. However, such programs usually meet with failure or only limited success. Efforts to boost their quality of life are also being often negated by the rapidly deteriorating housing conditions in the slum and squatter areas. The shortage of appropriate planning and land policies hinders any attempts to effectively shelter the poor (HDB, 1997). To further compound this problem, city-planning and management policies are often at odds with the policies designed to get and maintain an adequate shelter for the urban residents

2.2.3. Public housing provision for urban residents

After 1950 as slum areas began expanding globally, they became more visible and sprawling to the periphery of urban settlements with land scarcity developing into a serious issue. By the late 1960s, in response to acute demand more, most developing cities were implementing large scale public housing programs. During this era, there was a distinct focus on nation-building and a strong expectation that the state should lead to the development and supply of social services for its citizens (Buckley & Kalarickal, 2006). The general public, housing model was transplanted from the experience of developed countries where it had been implemented during the post-war period to produce housing to low-income groups. With a public housing scheme labeled less than

successful, especially in the area of addressing poverty (About, 2002). Unfortunately, the Third World failed to have the capacity needed to implement it successfully.

According to Tebbal & Ray (1998) in their report on housing provision failed because of lack of resources and capacity of governments, to satisfy the necessity of the growing population, to service the intended target groups and institutions that financed housing loans struggled to satisfy demand enforced strict collateral requirements. Thus, the poor of the poor centralize access to funds.

2.2.4. Formal housing provision

Formal mode of housing represents housing that's "produced through the official channels of recognized institutions" e.g. planning authorities, banks and building and land development companies, and observing formal legal practices, building standards and land use, and subdivision regulations. The social approach to housing is generally centralized and within the form of state interventions while approaches to urban housing delivery, on the other hand, may take the form of marketing. In the formal housing provision, the market tends to offer imperfect competition frequently characterized by monopolies which can reduce consumer sovereignty. One would agree that housing like any other goods is not a free commodity and besides, not affordable to all hence the market approach appears realistic (Adams and fuss, 2010).

They argued that the free market in housing is ideal as resources would be employed in the production of housing in such a way as to maximize output. Furthermore, the market will produce an optimum stock of housing; hence the resulting stock will correspond to the structure and preferences of the individuals. They argue that the market produces an equitable allocation and is seen during this way as satisfying both supply and equity objectives (Ibid).

2.2.5. Self –Help Housing

The alternative approach that advocated replacing social housing was self –help and mechanisms for delivery were the provisions of sites and services and in site slum upgrading. This approach marked a substantial shift in thinking from the development community since it encourages a bottom-up method of working. It displaced a delayed realization that the poor have a variety of

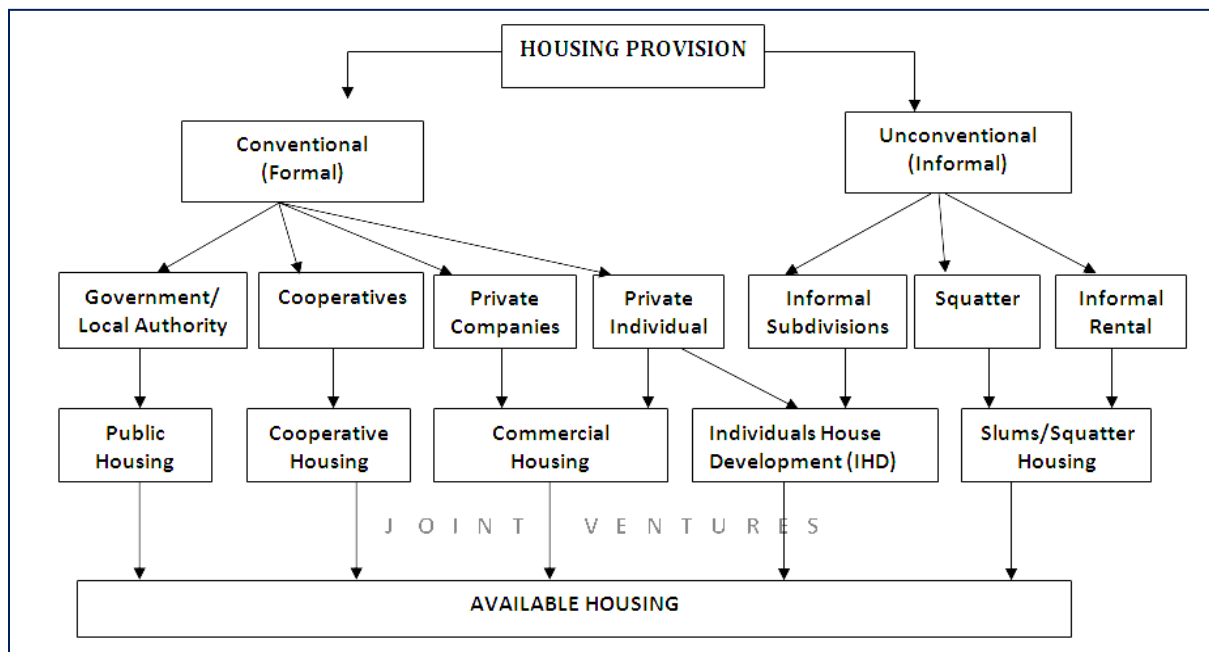
positives about their housing. Self-help housing involved some type of modes of housing construction (Pugh, 2006).

In theory, this approach offered advantages over the rigid public housing project scheme the help nature enabled communities to keep costs down and to stretch funding. It also allowed beneficiaries to build or upgrade their homes at their place, based on housing hold income. Thus, ensuring the process was manageable and sustainable in providing unoccupied land at that point (Tebbal and Ray, 1998). However, due to the difficulty in providing unoccupied land that was suitable for self-building, the initiative reached out that was more suitable for people than was intended.

2.2.6. Joint Ventures housing approaches

Joint ventures in housing development cut across both the conventional and unconventional housing modes. They involve various stakeholders in the provision of housing, each with a transparent role and mandate. The government may provide the technical assistance, in land-use planning, regularization and registration, and financial institutions, donors or CBOs mobilize financial resources while the slum dwellers provide labor. The joint venture involves the government, donors, CBOs, and slum dwellers for slum upgrading (Kamau, 2002).

Figure.2.1: types of Housing Provision.

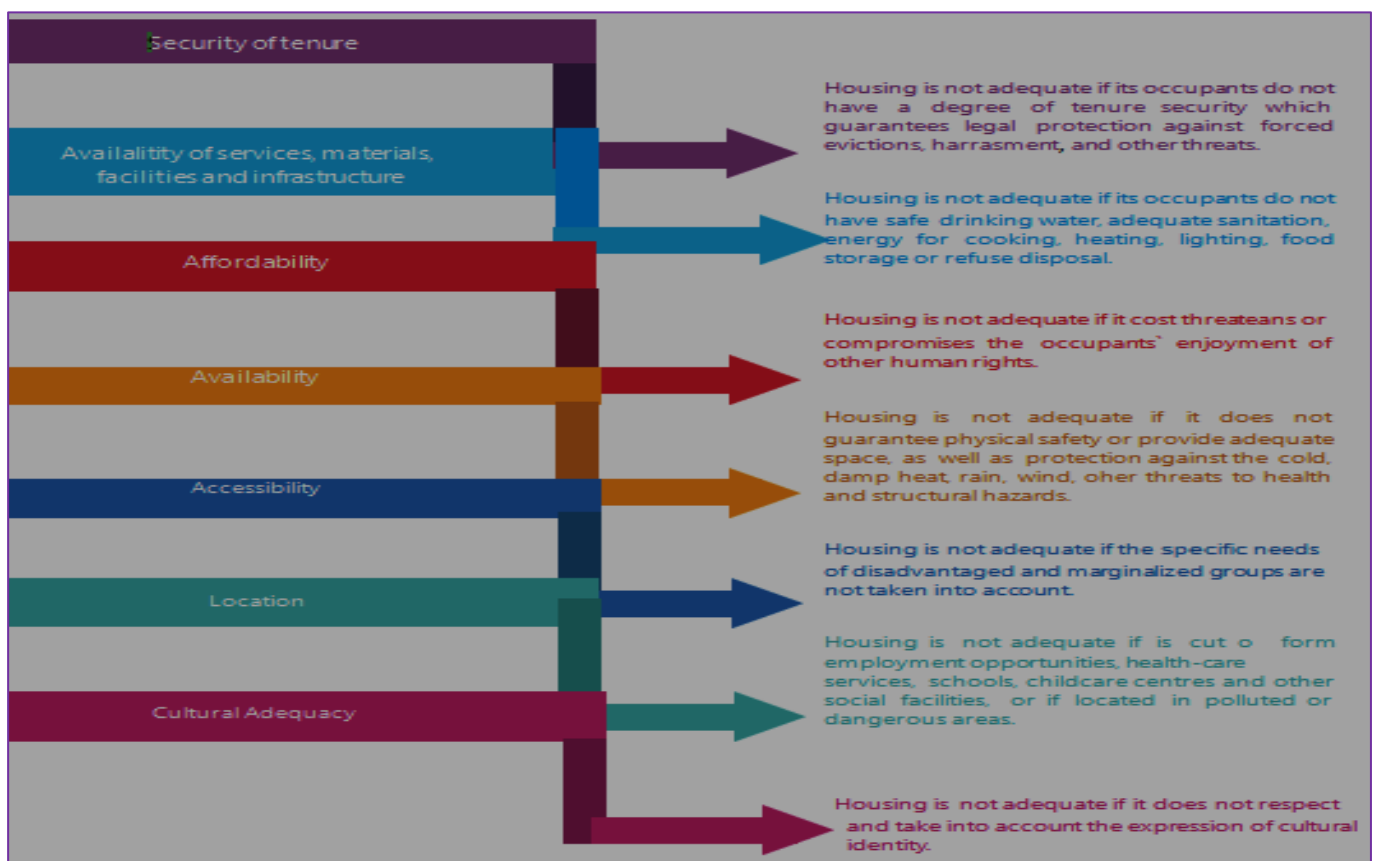


Source: P.K. Kamau (2002)

2.3. The right to adequate housing

The United Nations Committee on Economic, Social, and Cultural Rights has underlined that the right to adequate housing should not be interpreted narrowly. Rather, it should be seen as the right to live somewhere in security, peace, and dignity. The characteristics of the right to adequate housing are clarified mainly in the Committee's general comments No. 4 (1991) on the right to adequate housing. As stated on Fact Sheet no. 21 (UN-HABITAT, 2010), for housing to be adequate, it must, at a minimum, meet the following criteria:

Figure.2.2. Minimum criteria to be met for housing to be adequate



Source: UN-Habitat (2017)

2.3.1. Housing Affordability and Accessibility

Affordability is one of the essential elements of adequate housing. UN-HABITAT, (2011) defines affordable housing as that which is adequate in quality and location and does not cost so much that it prohibits its occupants meeting other basic living costs or threatens their enjoyment of basic human rights. In another way, affordability is not only about being able to afford to buy

or rent a house, but also being able to afford to live in it. This goes beyond meeting expenses related to operations and maintenance; it also involves consideration of transport, infrastructure, and services. This means If a house is cheap enough to buy and run, but located far from livelihood opportunities or amenities such as schools, it cannot be said to be affordable (cities &PWC, 2019).

According to Cities PWC (2019), three approaches are commonly used to measure the affordability of housing: the median multiple methods consider housing affordable if the median house price is less than three times the median household annual income. The second approaches used to measure is, the housing cost burden method considers housing to be affordable if households spend under 30% of their income on housing (mortgage payments or rent, rates, taxes, household insurance, repairs and maintenance, energy costs), and the third approach is residual income method subtracts the costs of meeting necessities from household income and uses the remaining ‘residual’ income as the household’s capacity to spend on housing. This approach is primarily used by Commercial Banks when evaluating mortgage applications.

On the other hand, the Ethiopian Federal Department of Housing and Urban Development (HUD) generally defines affordable rental housing as rent that does not cost more than 30 percent of the annual household income. They consider that paying more than 30 percent of income, is a housing cost burden (Jean 2007).However, the sector failed to provide affordable rental housing for the majority in general and low-income households in particular. The reason is the absence of a regulatory framework under which the sector is currently operating results in high rental price levels.

Moreover, this problem was further aggravated by the shortage of affordable rental housing due to a limited supply of housing and high demand for housing. Thus, the sector failed to deliver affordable rental housing accommodation. This is not in line with the country's human rights obligation under international human rights laws; for instance, the Committee on Economic, Social and Cultural Rights under General Comment No. 4 stated that member States to the Covenant must take necessary measures to ensure affordability of housing by any appropriate means. Rent control laws are the main means of ensuring affordable housing for low-income households in private rental accommodations. The phrase “rent regulation” or “rent-control”

refers to legislative intervention, namely where the state regulates the private rental market to restrict rent increases and provides the security of tenure.

2.4. The common problems of housing provision in developing countries

Stephen (2012) said, 'housing policies in many developing countries are inefficient and inequitable and the wrong solutions, to the problems '. One of the problems he mentioned is the perceived shortage of housing. However, many come with a common solution, which is usually wrong. This is the government to build houses. He argues that the housing shortage is the result of fast growth in demand and impediments to the supply of housing. Rapid urbanization in the developing world is the most represented phenomenon of the world's development in the past few decades.

The pace of urbanization has exceeded many developing cities' capacity to absorb the needs of the growing population, despite all innovations and efforts (UN-HABITAT, 2008). One of the most pressing problems is to provide adequate housing for the poor. Poor urban housing conditions are a global problem, but conditions are worst in developing countries. UN-HABITAT (2003) reports that 1 billion people live in life-and health-threatening homes. This represents about one-third of the world's total urban population, while the developing world has a substantial proportion of the urban population living in inadequate housing conditions.

The threat of mass homelessness is greatest in Africa, Asia, and Latin America because that is where the population is growing fastest. It seems that old paradigms are unworkable, many existing formal supply channels often hopelessly inadequate for low-income people, and most conventional approaches largely irrelevant given the magnitude of the growth of the sub-standard settlements.

According to Tsenkova (2009), the major characteristics of informal settlements in developing countries as a significant proportion of the urban population lives in the informal settlements include Insecure housing tenure, Inadequate basic services, housing settlement that contradicts city by-laws, housing built on a property owned by the state or a third party instead of that of the owner or resident, insufficient access to basic urban services, substandard housing, and

inadequate building structures, an illegal subdivision of housing, poverty and social exclusion and unhealthy living conditions and hazardous location.

Moreover, residents who live in slums and squatters are usually unable to afford even the most minimal housing provision by the formal land and housing markets with basic service. People also face vast barriers in accessing legal housing and land because of the difficulty of the bureaucracy (HABITAT & UNESCAP, 2008:4). In addition to lack of infrastructural service, the main problem experienced by residents of squatter settlements in developing countries is the insecurity of land tenure. Because they do not have the authorization to occupy the land they inhabit, they can be evicted by authorities at any time. The constant threat of eviction is a major factor in the reluctance of residents of informal settlements to invest in the improvement of their dwelling. It is also a major factor in the decision of utility companies (like electricity and water) and other service providers (like loan providers) are also reluctant to go into informal settlements.

2.5. Major challenges of urban housing in Africa

African urbanization has a long history, but it faces one of the "most dramatic social phenomena" taking place in Africa since the colonial era. For several years, as Stren (1996) has argued, research on African cities has centered on two main themes: "their poverty and their rapid rates of growth". These were also the central messages in the UN-Habitat 2010 report on African cities, which highlighted, among other things the central problem of urban housing provision for the urban residents across the continent.

Given the rapid increase in an urban population in Africa, the corresponding increasing demand for urban housing, the persistently dire financial situation of the urban residents, persistently significant levels of bad governance in Africa and insufficient financial and material resources available to African states to tackle this issue, it is not possible or pragmatic, at least for now, to envisage a situation where every urban dweller in sub-Saharan Africa will live in a "decent house" shortly (UN-Habitat, 2010).

Nigeria has probably had "enough policy advice already". This holds for all countries in the region. The fact that years of policy advice and pledges have not produced dramatic reductions in

slums suggests that something very fundamental is lacking in Africa were visionary, democratic, and dedicated leadership. Substantially realizing the right to adequate housing demands, among other things, that African leaders develop and manifest the political will to live up to their commitments. It also demands that these leaders should be continuously pressurized through legal and peaceful strategies to fully implement their commitments to the poor (Nwaka, 1998)

In South Africa, the Apartheid government contributed to the housing crisis by providing insufficient housing to the people. During the 1994 democratic elections, the South African government promised one million houses during their first five years in office (ANC, 2006).

Since the launch of the Housing White Paper in December 1994, housing in the country has undergone fundamental changes. From 1994-2005 housing program provided more than 1.6 million housing opportunities to more than 7 million people. During the same period, a total of 2.4 million subsidies were approved. The Minister of Housing, Davy (2006), unveiled the comprehensive housing plan for the development of integrated sustainable human settlements in September 2004. The cabinet approved the plan as a framework for the housing program of the countries. This includes the development of low-cost housing and the housing market inherited by the South African Government in 1994 had severe abnormalities.

Knight (2001) indicates that although South Africa is not urbanizing as fast as many other African countries, the percentage of the population living in small towns and cities is projected to grow 63% in 2015. Many poor families living in rural and urban areas find it extremely difficult to access adequate housing. One of the most visible results of the history of Apartheid is the presence of millions of homeless on the fringes of South African major cities. Urbanization processes were prevented by controls over migration and urban residency rights for Blacks since these policies were lifted in the late 1980s, there has been a fairly large influx of Blacks from rural areas including the Bantustans. But since there has been a conscious policy under Apartheid not to build low-income housing (to discourage urbanization), no houses were waiting for these people.

2.6. The main factors Aggravate Housing problem in developing countries

The rate of urbanization is considered to be one of the indicators of a country's economic development. When the urban center grows in developing countries, it leads to an increase in the

population mainly through rural-urban migration. High population growth contributed to an increase in the demand for the house in urban centers (Abraham, 2007). When a country becomes more urban, more houses will be needed to accommodate the increasing population in urban centers.

However, in developing countries, the place of urbanization is not supplemented by the provision of adequate housing. This is one of the reasons for crowdedness and the development of squatter settlements in most cities of the developing countries. The expansion of squatter settlements in the majority of developing countries is caused by uncontrolled and unplanned urbanization, a lack of residents' capacity to afford legal houses, a lower rate of economic growth.

According to Bob (2007), the supply of housing has been constrained due to restrictive government land policies of the private sector in housing development, and shortages of key construction resources, which has caused prices to increase and delays in the delivery of buildings. Moreover, the inability to properly plan and manage rapid urbanization has also resulted in uncontrollable growth of cities, decayed inner cities, and the growth of slums, especially in urban periphery areas (NFME, 2008).

The other main factors of the housing provision in developing countries to be governments, lack of financial capacity to deal with the problem effectively and efficiently. In addition to lack of financial resources, lack of willingness by politicians, and the inadequacy of institutional frameworks, which are in place to deal with the problem, are the other factors that aggravate the problem in urban centers (Thwala, 2005).

However, as the provision of housing is a very expensive process, one of the main problems in providing adequate housing is associated with the difficulty an adequate investment in it as most governments give low priority to the housing sector due to a shortage of resources (Tilahun, 1997). Furthermore, the existences of the severe housing shortage, poor quality housing situation and the expansion of squatter settlements in the majority of developing countries are caused by the government's lack of willingness and lack of capacity to address the issue in a fundamentally structured, sustainable and large scale manner of development.

In-line with this, the other cause of housing problems is the existence of weak housing finance development in these countries. The reason is that many developing countries lack the financial muscle that could go to housing (UN-HABITAT, 2011). Due to this, the residents ‘who have a low-level income are unable to afford even the smallest or cheapest professionally constructed legal house with basic services.

Bob (2007) also identifies the imbalance between housing supply and the increasing housing demand due to natural increase in population, a high rate of rural-urban migration, overcrowding, and deterioration of the already existing housing. Also, he stated the high price of land, building materials, and labor, a lack of alternative investment opportunities, and speculation as to the major factors of the housing shortage in developing countries. Other factors like the absence of an urban policy that incorporates housing policy could help to successfully narrow the gap between urban and housing development.

Furthermore, the existence of severe housing shortages, poor quality housing situation and the expansion of squatter settlements in the majority of developing countries are caused by uncontrolled and unplanned urbanization, lack of residents‘ capacity to afford legal houses, the low rate of economic growth highly increases the prices of land and construction materials, as well as inappropriate strategies for urban planning and land appropriation, absence of an urban policy that incorporates housing policy which are the factors that accelerated the demand of housing in the urban center.

2.7. Challenges of affordable housing in Ethiopia

The population and housing census of the 2016 result shows that Ethiopia’s urban population constitutes about 19.4 percent of the total population (MOWD, 2006). This shows that Ethiopia has a low urban population ratio than most developing countries. Even with this low level of urbanization, most urban centers suffer from a variety of urban problems, including inadequate infrastructure, housing and services, high employment, and weak institutional mechanism for good urban governance and sustainable urban development (Tegegne &Mulat, 2005).

The urban population is projected to nearly triple from 25.2 million in 2012 to 42.3 million in 2037, growing at 3.8% at years. The report indicates that the rate of urbanization will be even

faster, at about 5.4% a year. That would mean a tripling of the urban population, even earlier by 2034, with 30 % of the country's people in urban areas by 2028 (CSA, 2013). The effect of high population growth and increased rate of urbanization has thrown the country into serious housing problems; housing shortage, poor housing conditions, substandard buildings, deteriorating housing environment, informal settlement, and increasing violation of building regulations are becoming widely spread (Bihon, 2007). In connection with the implication this rising population has on the shortage of housing in Ethiopia, Tesfaye (2007), states that the consequent rise in the number of households“ is yet another facet that best reflects and provides a measure of the level of demand for housing in the country.

Ethiopia is also one of the poorly developed countries characterized by the housing shortage and poor housing, infrastructure, especially for those living in urban areas. These problems are caused by low per capita income, low investment in housing, and the rapid growth of population, massive urbanization, the rising cost of building materials, and the low income of urban dwellers to afford decent and standard housing, low investment or scarcity of financial resource to increase housing development low supply of serviced residential plot (Yewoinshet, 2007).

According to MOWUD (2008) housing shortage is one of the major problems that the country faces in almost all urban areas. Recent estimates concluded that currently, the housing shortage is between 900,000-1000000 in urban centers of the country. In addition to the shortage of housing, the existing houses are below qualitative standard and lack of adequate space. The problem is aggravated due to the country's low investment in the housing sector. The country's investment in housing construction is below 3% of GDP, which is in lower condition compared to the 6% recommended by the UN for developing countries (Mehret, 1999). But now a day there is little improvement in some developing countries.

Bereket and Nigatu (2015) also found that 61.7 percent of their sample households in Hawassa city were sheltered, poor (their housing expense goes beyond 30 percent of their monthly income) whereas, the remaining 38.3 percent were non-shelter poor. Among the major problems that lead households to shelter poverty were low household income, large family size, high rental/mortgage cost, tenants chooses of condominium houses for residential purpose, increase in the general price of both housing and non-housing items, down payment problems and bank loans related problems are some the problem.

According to Muleta (2014), Bekoji town was faced with the problem of low or inadequate housing. The study revealed that on average 87.9 percent of the total households in the town have no access to enough housing provision either kebele's houses and municipality's houses or privately rented residential units. Also, the majority of the residents were challenged by a shortage of housing, and the majority of them were wanted to move from their current residence if they get a better chance due to a shortage of kebele administration or municipality office houses. As a result, the majority of the residents were forced to live in privately rented residential units and paying expensive rent. This is because of some factors related to financial constraints, lack of raw material resources, lack of enough open space, and imbalance housing demands and supplies.

The affordability of owning a private home and rent price depends on the demand and supply-side factors. The demand-side factors include the macroeconomic environment, demographic situations, provision of finance for a mortgage, housing subsidies, especially targeted at low-income groups, and taxation. The availability of free land for real estate developers, skilled labor, reliable infrastructure, availability of appropriate technology for contractors, and suitable construction materials are among the supply-side factors (UN-Habitat, 2008). Also, policy intervention towards the housing affordability issue is vital because the market by itself cannot fully address by mobilizing the available resources (Habte, 2010).

The experience of many developing countries with the provision, housing highlights, ineffectiveness in both targeting and subsidies to the low and middle-income households. Due to very poor conditions of the existing stocks and increased demand for new housing, the magnitude of shelter difficulty is increasing through time. Moreover, government intervention in the housing market to provide affordable housing for low and middle-income households is vital. The government can stimulate the housing supply by promoting low-cost building technologies and introducing regulation for the housing market rather than living for the market that may lower the housing difficulties (Kidst, 2014).

Furthermore, the housing crisis of the country highly affects the lower-income group of the city's population. The low economic development level of the city, where the livelihood of a great number of the population depends on informal economic activities is the main factor that hinders the majority of the city's population to acquire housing. Even though, there are efforts to reduce

the housing problem, most ongoing housing projects that are implemented in the city focus on the supply of housing for the middle income and high-income groups. Almost all real estate projects by private developers target middle and high-income groups. Unfortunately, these projects even could not be accessible even for the middle-class groups due to the high market price (Zelalem, 2007).

Generally, Ethiopia housing problems could be summarized into four categories; the shortage of housing, overcrowding and poor quality of housing units, low neighborhood infrastructure development and limited affordability of the houses mainly due to very low household income (TSION, 2007). Despite the prevalence of the problem, different measures have been pursued to tackle the problem in the country.

2.8. Housing Policies in Ethiopia

In Ethiopia's history, the housing sector has been to a variety of strategic interventions in the past years. In the pre-1975 period, the housing market operated in free-market principles. Landlords leased urban land and constructed residential houses to tenants, and there was no restriction about the selling and buying of houses. Though the government had little involvement in the housing sector, due to the housing shortage, it was expected to provide low-cost housing without taking the role of the private sector, which was at that time mainly catering for medium and high-income groups (Tilahun, 1997:). However, as to him, the free market condition was one of the factors that were blamed for the unplanned development of most urban centers, in addition to the very high cost of rent for tenants. As a result, the majority of the urban population was forced to live in a highly crowded and congested house that is mostly built and owned by landlords.

Following the 1974 revolution, the *Derg* nationalized all urban land and extra houses by proclamation and was directly involved in the supply of housing. Due to low public sector production of housing, the *Derg* organized and supervised housing cooperatives respond to housing requirements. To encourage the development of the cooperative system, it intervened with a wide range of intensives including allocation of land without charge for the construction of owner-occupied housing units, subsidizing building materials and mortgage loans below the market rate were also provided on the subsidized basis to cooperatives (Martha, 2006:20).

Despite this effort, total housing production satisfied only a small portion of the demand for the period. The majority of the urban residents that the *Derg* claimed to stand for could not benefit from the land reform where urban land was granted free of charge, because their income was too low to construct the smallest standard dwelling houses (Gutema, 1994). He also claimed that the housing development approaches that were implemented by the *Derg* were unable to successfully address the neediest, which are mainly the low and middle-income groups.

After the *Derg*, the transitional government of Ethiopia issued urban land lease proclamation No 80/1993 in December 1993 in order to provide for the utilization of urban land to satisfy the needs of the various section of the population, to address the problem associated with a high rate of urban population growth which resulted in the expansion of urban centers without a plan and the allocation of urban land, to address the inadequacy of financial capacity of urban centers, to implement the free market principles by creating condition whereby the right to use urban land can have a market value, to control loopholes, corruption, and appropriation of unjustified gains realized during the transfer of the right to use urban land whose value has appreciated (TGE, 1993).

This proclamation makes all urban lands, except those previously used for the construction of residential houses are governed by the lease policy and gives regional states the power to formulate regulations of urban land based on the federal policy on urban land lease. Based on the right given by the federal government, urban land rent is to be determined by regional self-governments based on the level of the urban environment.

Also, a consolidated Urban Development Program (UDP) was formulated and approved by the Council of Ministers of the Federal Democratic Republic of Ethiopia in 2005. The urban housing development is identified as a key pillar in the priority intervention areas of the government's Urban Development Program (MOWUD, 2008). The program generally can be termed as inclusive when it comes to housing. The intervention areas identified in this program, document form the basis for the development of the implementation between 2006 and 2010 the housing development program has been implemented in Addis Ababa since the 20th century (Martha, 2006). The program has also built the capacity of the construction sector, addressed the existing slums, and been a significant generator of employment opportunities, but still, there is a shortage of housing provision (UN habitat, 2010).

2.9. Empirical Literatures

2.9.1. Experience of Singapore in Housing Provision

Singapore has been able to implement city planning and urban management Policies that actually benefit the poor. The housing programme has been successful and admired for producing low-cost, affordable housing on a mass scale. Singapore has developed a unique housing system, with three-quarters of its housing stock built by the Housing & Development Board (HDB) and homeownership financed through the Central Provident Fund (CPF) savings (Phang & Helble, 2016). Public housing is a critical and inescapable part of Singapore's physical, social and political landscape. The HDB built more than half a million units of public housing from 1960 to 1990, 85% of Singaporeans now live in public housing estates, 90% of whom own the 99-year leases on their subsidized homes. This figure had climbed tremendously by 1980, due to the overwhelming public response to the liberalization of the Central Provident Fund funds for purchase of public housing.

The provision of mass, affordable public housing has improved living standards for a large number of Singaporeans. When compared the situation of Singapore public housing in other urban centers in Asia and beyond the region, the quality of housing and living environment in Singapore has been favorable. The average Singaporean has been able to enjoy better housing than that enjoyed in some developed countries (Kim, & Phang, 2013). The success of Singapore's public housing has been attributed to a number of reasons such as a strong political commitment to address housing, financial commitment which comes in the form of loans and subsidies, legislative support which allows the government to acquire land cheaply and quickly and to exercise legal authority on matters related to housing development and administration.

2.9.2. Experience of Housing Provision in South Africa

By the early 1990's the Housing Sector was fragmented, inconsistently funded and lacked role definition and defined roles of accountability. In 1994 after its new democracy era has been actively engaged in addressing its huge housing challenge, including a severe shortage of housing stock and the low quality of living conditions.

The government introduced a national housing programme that included subsidies to low income households. This housing policy that has emerged after 1994 is the product of a negotiated settlement. Under the Reconstruction and Development Programme a formal mass housing model has been rolled out, driven by once-off individual capital subsidies with the aim of providing redress for the black population that was deprived of adequate housing under apartheid (Huchzermeyer, 2011a).

This Government's policy approach to housing arises from two perspectives. Government seeks to address the housing crisis directly through the scale delivery of subsidized housing for low income households and create an environment conducive for the operations of the subsidized housing market. This government programme resulted in building of 1.5 million new housing units between 1994 and mid-2003. More than 2.2 million houses were delivered up to 2009; this figure has since risen to 2.8 million units in 2010 (Ajayi, 2012).

However, the enabling strategies increase the availability of housing finance, securing appropriate forms of tenure and a designing effective subsidy. This would include adequate infrastructure, servicing, and rationalization of legal and regulatory frameworks in the supply side. These enabling strategies with well-designed subsidy schemes have the greatest potential of meeting the housing challenge of the urban sector in South Africa.

2.9.3. Housing provision for residents in Addis Ababa

Currently though housing policy is not yet formulated at national and city level, the city's housing principle is following the free market economic policy adopted in 1991 that create conducive atmosphere for private sector particularly the real estate developers to participate in housing development (Azeb K., 2007). The city administration has also prepared five years housing development program in 2004 to reduce housing problem of the city by 50%. The program gives prior attention for alleviating housing problem of low income households. It promotes high raise condominium buildings with a minimum built up area of 22m² to minimize the construction costs. Government, Private sector and Non-Governmental Organizations (NGO) are considered as the major actors in housing construction and marketing activities.

Accordingly even though the involvement of NGO's is limited, the first two actors are playing a great role in increasing housing stock of the city. The city administration has established legal

institutions Housing Agency, Housing Development Project Office, Micro and Small Scale Commercial Enterprise and Technical and Vocational Education Training to implement housing development program. Under housing agency a department is created with the main responsible of looking for assistance from different sources to be used for constructing residential houses for low-income residents. Never the less, different forms of financing or funding schemes of low-income housing couldn't yet be practical. Instead the city administration is building units by its own revenue only which leaves the successful implementation of the program under question.

2.9.4. Housing provision for residents in Hawassa and Bekoji

Bereket and Nigatu (2015) also found that 61.7 percent of their sample households in Hawassa city were sheltered, poor (their housing expense goes beyond 30 percent of their monthly income) whereas, the remaining 38.3 percent were non-shelter poor. Among the major problems that lead households to shelter poverty were low household income, large family size, high rental/mortgage cost, and increase in the general price of both housing and non-housing items, down payment problems and bank loans related problems are some the problem.

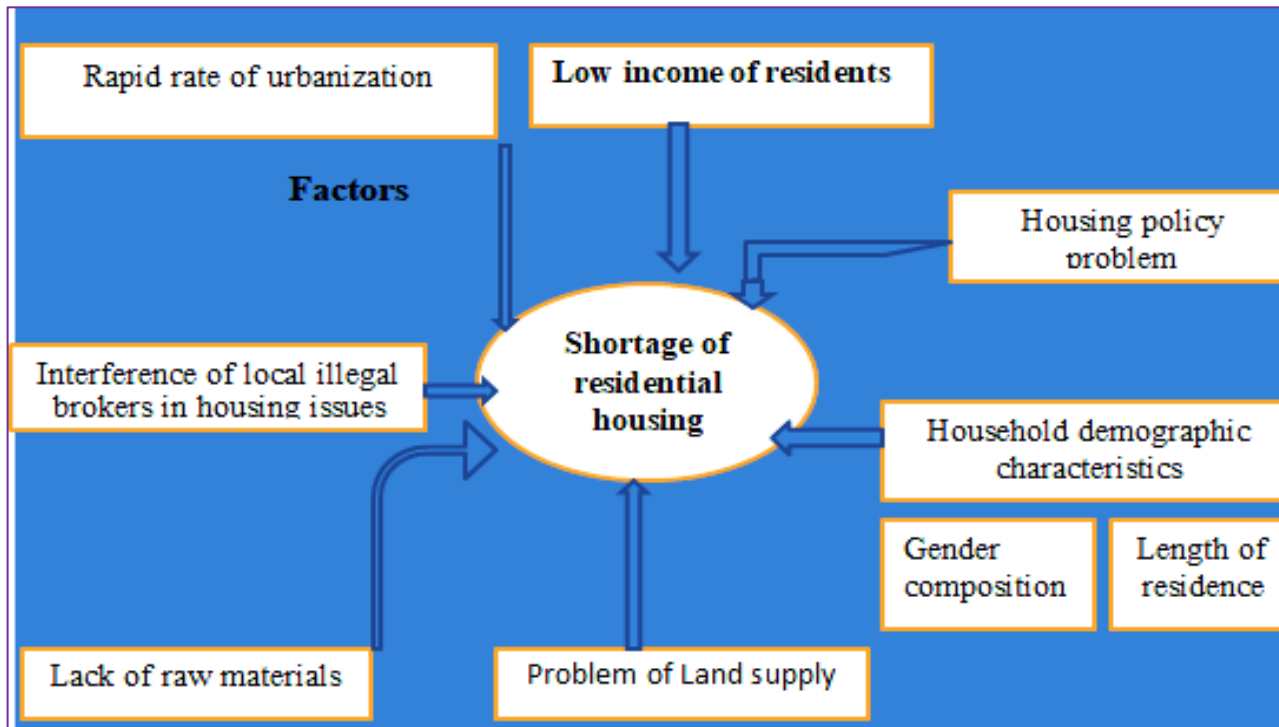
According to Muleta (2014), Bekoji town was faced with the problem of low or inadequate housing. The study revealed that on average 87.9 percent of the total households in the town have no access to enough housing provision either kebele's houses and municipality's houses or privately rented residential units. Also, the majority of the residents were challenged by a shortage of housing, and the majority of them were wanted to move from their current residence if they get a better chance due to a shortage of houses. As a result, the majority of the residents were forced to live in privately rented residential units and paying expensive rent. This is because of some factors related to financial constraints, lack of raw material resources, lack of enough open space, and imbalance housing demands and supplies.

2.10. Conceptual Framework of the Study

The conceptual framework is an analytical tool with several variations, contexts and concepts that are going to be measured. According to Kenneth (2005) a conceptual framework is an abstract indication of how basic concepts and constructs are expected to interact in the actual setting, and the experiences that form the foundation of study. The aim of this section is to

develop an integrated conceptual model to analyze variable of the study, which is derived from literature and result of the study based on the title.

Figure: 2.3. Conceptual Framework for this Study



Source: from the literature review and result of the study

Shortage of residential housing is caused by many factors. The main factors identified as the bottleneck for the provision of housing include poor access to finance, interference of local brokers in housing issues, lack of efficiently and effectively using the existing land and supply, the policy problem and the rapid rate of urbanization. These factors have strong relationships with each other. For instance, Income plays an important role as a primary factor which significantly affects access to formal housing.

In the process of land delivery for the people in urban center access to residential land for housing construction can be influenced by several institutional related factors. The main institutional related factors that affect access to residential land in Sululta town include: poor institutional capacity, bureaucratic administrative procedures which is long and time-consuming, poor urban land management in the town and weak implementation of good governance

principles such as transparency, equity, and participation are the major institutional related factors.

Ethiopia is also characterized by the low level of urbanization even by African standard, where only 19.4 percent of the population lives in urban areas. Despite this, it's recorded at a comparatively high rate of growth, urban population (4.4%) annually; double that of rural areas (MoFED, 2006). As a result of this the governments and local authorities would not be able to satisfy the housing demand.

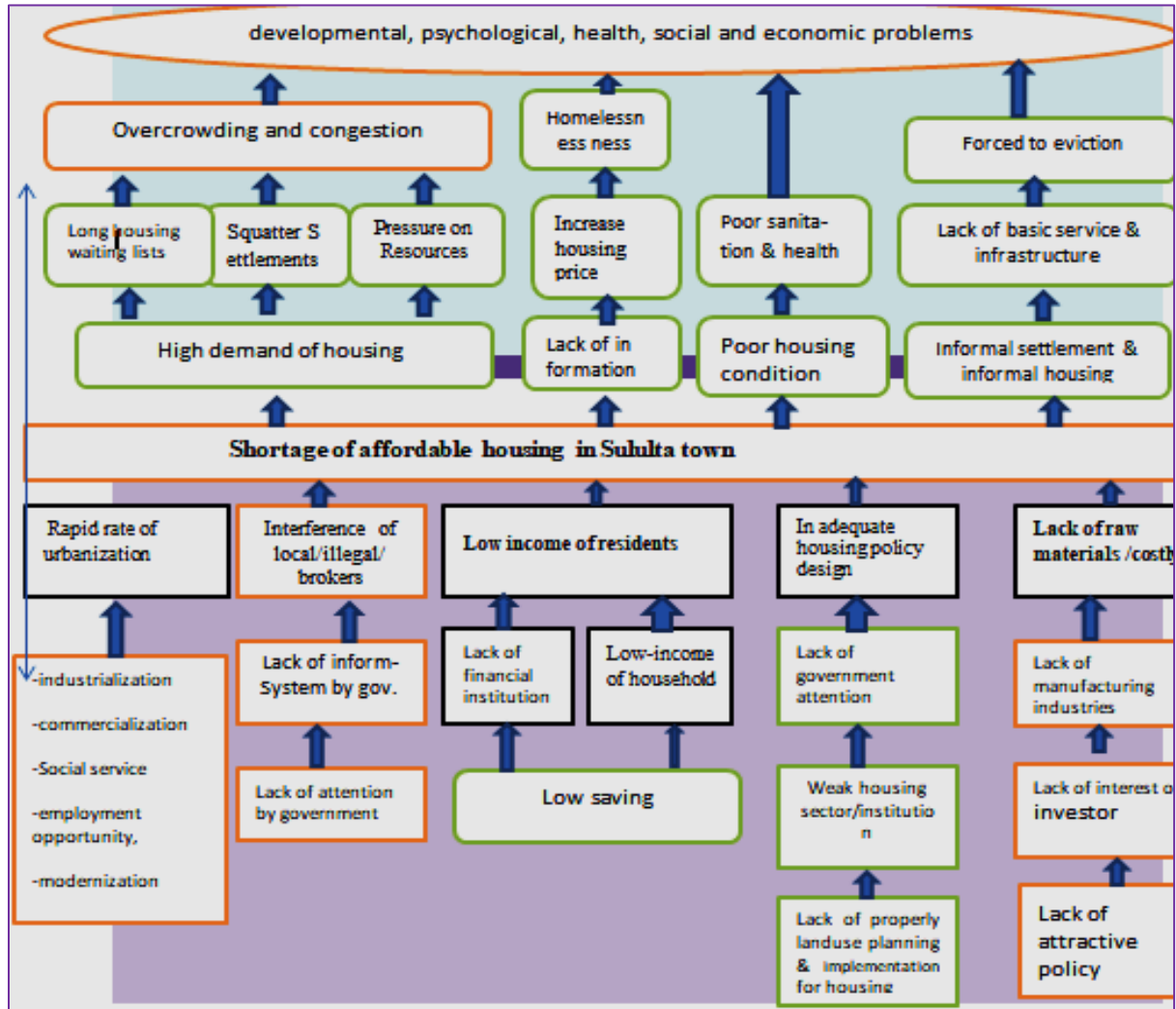
The other factor is housing Policy designed problem. Oromia urban areas under lease proclamation: as stated the proclamation of the federal government the right to use of urban land by lease policy shall be permitted to realize the common interest and development of the people” here the proclamation grants accessibility of land for all populations equally through a bid process. But in reality, since the land lease process is competitive, the low-income people in urban areas are cannot afford the cost of lease price due to the tangible condition of their monthly income.

In addition to these the household characteristics factor such as gender composition, length of continuous residence in the town, as well as monthly income of the households affect the housing tenure status of the respondents.

2.11. Problem tree analysis of the shortage of affordable housing

The problem analysis helps to find solutions to problems by mapping out the anatomy of cause and effect around an issue. It involves diagnosing a problem by breaking it down into more manageable sizes and prioritizing issues. It gives a graphic representation of a problem at the center with major branches reflecting the main causes leading to the problem. This activity stimulates and broadens thinking about potential or actual causes and helps to further examine the causes until a chain of causes leading to root causes are identified (Weiss et al, 2000).

Figure: 2.4. Problem tree analysis of housing provision challenges



Having identified and prioritized the characteristics and problems of housing provision from the questionnaire survey, the problem tree analysis was carried out by the focus groups and interviews where members identified the causes of the focal (core) problem, the root causes, and the consequences of the problem. Based on this analysis, a problem tree was drawn (graph 2.4) indicating the root causes, focal problems and the effects.

CHAPTER THREE

3. Research methodology

This part of the study deals with the research methodology, which includes the description of the study area, research method, data source, instruments and procedures of data collection, sample size and sampling techniques as well as methods of data analysis and presentation.

3.1. Description of the study area

Sululta town is located in the Oromia National, Regional State; Oromia special Zone Surrounding Addis Ababa at a distance of 23km to the north of Addis Ababa City on the main road to Bahir Dar. It is located at $09^{\circ} 17'84''$ Latitude to the north and $38^{\circ} 75'79''$ Longitude to the East, and 2600 – 3230 m altitude above sea level. The town was founded in 1929 E.C. City Administration was one of the eight cities of Oromia's special zone surrounding Finfinnee and the reform towns, which are recognized as one of grade 2/A towns in the Oromia Region starting from 2007. It has an area of 4470.50 hectares and has a city administration, municipal, and four Kebele administrations (Socio-Economic Profile of Sululta Town, 2014).

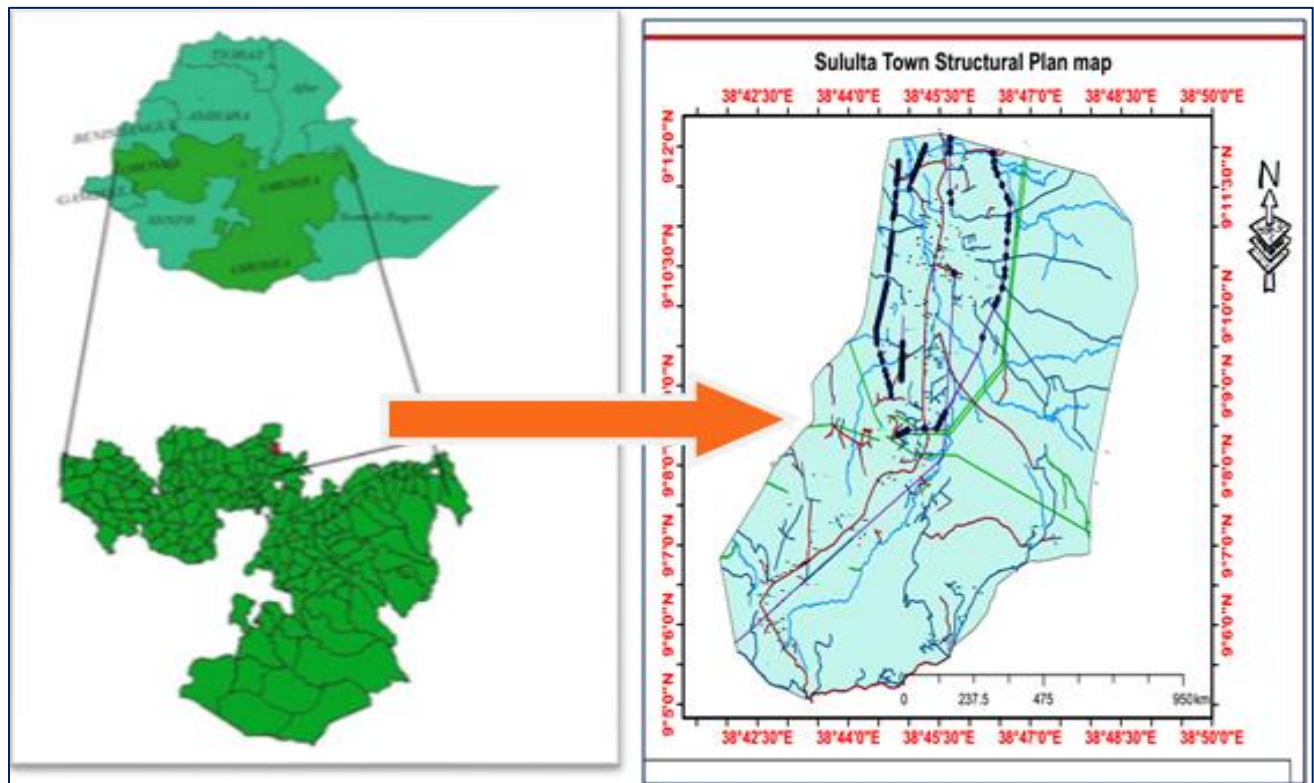
The total population of the town is estimated at 129,843 i.e. 62,896 and 66,947 male and female respectively. The total household of the town is about 30,281 (City Economic Development and Planning Commission Office, 2017).

The topography of the town is surrounded by the chain of the mountain that started from the south direction to the west. Sululta Town is specifically bounded by Addis Ababa city in the southern part, Sululta Woreda in the northern, western, and eastern parts. The elevation of the town ranges from 2600m to 3280m above sea level. The climatic condition of the town is moderate and suitable to live. The average annual temperature is 18-22 degrees centigrade and the average annual precipitation is 800-1200 millimeter (Sululta Town Profile, 2014).

There are many industries in the town. There are Agro-processing (Elemtu Milk Product Processing), leather factory, garment industries, wholesale trades, retail trades, service trades, fuel stations, and garages in the town that create job opportunities for residents. The economic life of the city is dominated by public sector employment and trade and various tertiary sector

activities and agriculture engagement (cultivating land and livestock production). In short, the service sector has an overwhelming dominance as a source of employment and income to the great majority of the population (Sululta Town Profile, 2014).

Figure.3.1. Location Map of Sululta Town



Source: Analyzed from Base Map of Sululta town

3.2. Research Design

Research design represents a sequence of pragmatic aspects of the way the research was conducted (Kothari, 2004). More elaborately, a research design is a program that guides the investigator in the process of collecting, analyzing, and interpreting the collected data. To undertake this study descriptive research type and correlation analysis, cross-sectional study, and both qualitative and quantitative research approaches are adopted.

3.3. Research Approach

The study has used both qualitative and quantitative research approaches in a mixed manner based on its purpose and the nature of the problem under investigation. The qualitative research

approach was used to study attitude, behavior, and experience of the sample households and key informants. In this case, the interview, FGD, and field observation were used to collect data, while the quantitative approach was used to generate statistics and figure of relevant data through questionnaires from the sample of the household.

3.4. Research type

Based on the research questions and overall research nature *descriptive* and *correlation analysis* method was adopted. Test correlation analysis was run to examine the magnitude of relationship and association between independent variables (demographic characteristics of respondents) and dependent variables (housing tenure) status of the sample respondents'. Descriptive research can be explained as a state of affairs as they are at present with the researcher having no control over variables.

Moreover, descriptive research may be characterized as simply the attempt to determine, describe, or identify what questions. Therefore, since the research was focused on assessing the practice and challenges of housing provision in the study area, the descriptive research method is more appropriate to discuss and describe the current existing housing situation. On the other hand, the cross-sectional time dimension was employed. This means when the data were collected at one point in time from samples selected to represent a larger population.

3.5. Sampling design

The sample design is a process by which the researcher determines the procedure to be employed to obtain the population and address the study objective Kothari (2004). The researcher gives due attention to the following considerations in the sample design: population, sampling frame, sampling unit, sample size, and sampling technique.

3.5.1. The population of the study

According to the Town Planning Commission Office (2017) report, the total household of the Sululta town is about 30,281. The town administration has four kebeles which have their administrative unit. The kebeles are Sululta 01, Kaso Wasarbi, Nono Mana Abichu, and Wale Lube with total households 18105, 6423, 4601, and 1152 respectively.

3.5.2. Sampling frame

The selection of respondents was carried out from the urban dwellers' household heads based on the administrative structure of the town. From Sululta administration, Suluta 01 kebele and N/M/Abbichu were selected purposely from the four kebeles due to their shortage of housing household concentration. The status of houses in these Kebeles is concentrated in rental and owner-occupied as well as informal settlement housing conditions. But the majority of the people are residing in a privately rented house while only a few (60) urban residents in this kebele used to live in kebele houses.

Due to this many people are exposed to high costs per month, especially government workers and the people who migrate from other areas. On the other hand, sululta 01 kebele is the old town, and the center of different activities is experienced and more densely populated. As a result of this, significant housing units are found to be run down and overcrowded. Thus, the list of households from Sululta 01 and N/M/Abbichu kebeles were selected to consider as the sample frames and represent other households of the study areas.

3.5.3. Sampling units

The sampling units of this study on which the researcher was based are individual households in the Sululta 01 and N/M/Abbichu Kebeles, four different offices directly related to this issue, and selected key informants to collect enough information on the issues under study.

3.5.4. Sampling Technique

A combination of probability and non-probability sampling techniques was used to select the sample population. Probability sampling was used to select a sample of households. Regarding this sampling technique, random sampling methods used to select appropriate households from the selected sample units of the study. This helps to provide a chance for every member (rented, house ownership, informal settlement). While Non-probability sampling technique was used to select kebeles and key informants from the study area by purposive sampling methods. Here, this technique was appropriate to choose the most relevant government officials in the Sululta town to obtain the desired information.

3.5.5. Sample size

The sample size is the total number of units selected for the analysis in the study. Thus, the sample size of this study is determined by using the formula Kothari 2004, second revised edition. :

$$n = \frac{z^2 \cdot P \cdot q \cdot N}{e^2 (N-1) + z^2 \cdot p \cdot q}$$

Where, N = Size of the population

n = size of sample

e = Acceptable error (0.05)

p = Sample proportion

z = standard variation at a given confidence level (1.96)

q = 1-p

When: N = size of population for Two (2) Kebele's total household 20,360 and n = sizes of sample = acceptable error =0.05p = sample proportion, q = 1 – p; take the value of p = 0.5. The method may be to take an initial estimate of p which may either be based on personal judgment was taken here as 0.5 % p value, hence q=1-p=0.5z = the value of the standard variable at a given confidence level and to be worked out from the table showing the area under Normal Curve; 1.96 here for 95% Confidence Level.

Then:
$$n = \frac{(1.96)^2 * 20360 * 0.5 * 0.5}{(0.05)^2 + (1.96)^2 * 0.5 * 0.5} \quad n = \underline{\underline{377}}$$

Therefore, based on this formula sampling size was determined. Thus, **377** samples of households were selected as a sample size of the total households.

Table 3.1: Sample Distribution of Households in Two Kebele's

Sample unit	Number of households	Sample size	A percentage from the total sample
Sululta 01	18,105	18105/20360*377=335	335/377*100=89
N/M/Abichu	2255	2255/20360*377=42	42/377*100=11
Total	20,360	377	100

Source: - Computed by researcher, 2020G.C.

In addition to probability sampling, non-probability sampling, which is called purposive or judgmental sampling will use for those experts who have the right information about the issues. Hence, the researcher has taken 5 individual key informants from housing-related experts with

the following categories.

Table. 3. 2: sample frame, sample size, and sampling techniques

No	Sample frame	Sample size	Sampling technique
1	Municipality office the experts of the urban housing development department	2	Judgmental
2	Sululta Urban land Administration and management	2	Judgmental
3	Sululta Mayor	1	Judgmental
	Total	5	

Source: own computation, 2020G.C.

Generally, 377 households for questionnaires and 5 key informants for interviews from different sectors, a total of 382 samples were used for the study.

3.6. Source of the data

Both primary and secondary data sources were used in the study. Primary data collected from selected households through questionnaires containing close and open-ended questions. To collect data from the Urban Housing Development and Management Department, from urban Land Administration and management Department, and Municipality Mayor were interviewed and personal observation was undertaken during the field survey.

Since the document review is an equally important method of data acquisition, secondary sources such as journals, books, governmental reports, published and unpublished materials, and internet sources used to strengthen data collected using primary sources.

3.7. Methods of data collection

Research methods have different techniques which should be stated. Therefore, it is competent to respond to the research purposes and objectives based on a questionnaire. Thus, both data collection methods were employed to achieve the purposes of the study. Primary data were collected through questionnaires, interviews, FGD, and personal observation, and secondary data were obtained from documents, reports, and profiles of the town.

I. Questionnaires: - Questionnaires were prepared to acquire data on residential housing problems, challenges of residential housing supply, and the effects of poor residential housing provision and opportunities and mechanisms to provide residential housing in the town. Closed-ended and open-ended questions are prepared and distributed to sample households of the two kebeles such as Sululta 01 and N/M/ Abbichu of the town by translating to their appropriate language of the area, to a large part of the respondents who can read and write.

II. Interviews: - The researcher employed, semi-structured interview to gather data from key informants who have a wider concept and idea of the issue. They are to be rich in knowledge and experiences. Here, five (5) key individuals selected from municipal office, two (2) from the Urban Housing Development department, two (2) from the Urban Land Administration and management department, and Municipality Mayor was interviewed.

III. Focus Group Discussion (FGD): - Focus group discussion was also conducted with those who have sufficient knowledge about the practice and challenges of housing provision for residents in the town. To obtain relevant information as well as triangulate and validate data, three FGD were being organized with three official groups, 2 (two) groups of experts were selected from different sectors who have deep knowledge about related issues and one group was selected from residents 3 from elders and 2 from young were selected purposely who have more knowledge about housing issue. Each group of FGD has five members and the researcher tries to moderate the discussion by raising ideas, which need more clarification.

IV. Field observation: - the researcher was made a critical personal observation to compare some of the responses to the actual ground housing situation in the study area. So, during observation, the researcher tried to observe the livelihood condition of the household and demolition of housing units in sululta town supported by a photograph for the analysis.

V. Document Review: - Necessary documents of the selected town were reviewed to get the necessary information about the practice and challenges of housing provision for residents in the study area. Moreover, extra information was collected from relevant books, journals, and other literary materials.

3.8. Data analysis and interpretation

The data collected via various methods of data collection instruments are analyzed, summarized, and presented through qualitative and quantitative methods. The data collected through the questionnaire are quantitatively tabulated, interpreted, and presented by using certain Statistical methods such as percentages, means; the analysis is made by using STATA-12. The data collected through interviews and personal observations are analyzed qualitatively. In addition to this, maps, figures, charts, graphs, and cross-tabulations are used and to assess the magnitude and direction of the association between the dependent variable (housing tenure) and independent variables (household characteristics) a bivariate correlation analysis was run.

3.9. Ethical consideration

Above all, the investigator took into account the ethical issue while conducting this research. During the primary data collection from the selected households of the town, their cultures and language were respected. Likewise, to collect primary data, official letters were taken from kebele administrative and municipality. Respondent's values and motives are secured and all activities performed under the permission of the participant. To communicate with the municipal official and kebele administrator, an official letter was taken from Addis Ababa University. Generally, all of the information properly analyzed without any exaggeration.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

This chapter contains two basic parts which are the general characteristics of the respondents related to housing and interpretation of data collected through questionnaires, interviews, FGD, housing Policy analysis, and field observation in the town. From the 377 questionnaires distributed to a sample of households, the entire of the questionnaires were properly filled. Most of the data gathered were organized in tables, percentages, graphs, numbers, and correlation tests with tabulation. The discussion of the data analysis begins with the background of the respondents.

4.1. Background information of the respondents

Description of the socio –demographic Characteristics of the target population give some basic information about sex, age, marital status, time of residence in the town, household size, educational status and occupation of the respondents. Therefore, socio-demographic characteristics of a given population have their own implication and relation to the residential housing provision situation of such particular town. Specially, they have their direct reflection on challenges, effects and opportunities in residential housing provision for urban residents in the study area.

4.1.1. Sex, occupation and educational level of respondents

As table. 4. 1. The occupation of the respondents in the study area from total respondents 106 (28.12%) are government employees, from these, 88 (83.02%) are male and only 18 (16.98%) are females. Interims of educational level of government employee respondents (26%) are diploma holders and (84%) are first-degree holders and above. The majority 150 (39.79%) of the respondents is self-employed. From this 106 (70.67%) are male and the remaining 44 (29.33%) are female. On the other hand 118 (31.30%) are employed in non-government or private organizations, from these 95 (80.51%) of them are male and 19.49% are female. The remaining 3 (0.80%) respondents were the unemployed.

Table: 4.1. Information of respondents based on sex, occupation, and educational level

Occupation	sex	Educational level					NO			
		Illiterates	Primary school	Secondary school	Diploma	Degree& above		%		%
Civil servant	F					18	18	16.98	106	28.12
	M				26	62	88	83.02		
Self-employed	F	6	19	8	10	1	44	29.33	150	39.79
	M	8	39	50	3	6	106	70.67		
Private servant	F		1	3	14	5	23	19.49	118	31.30
	M		3	6	56	30	95	80.51		
Unemployed	F						0	0	3	0.80
	M				2	1	3	100		
No		14	62	67	111	123	377		100	
%		3.71	16.45	17.77	29.44	32.63	100			

Source: - field survey (2020)

The educational performance helps access to better employment opportunity and creates an effective living condition of society by increasing income generating method for low and middle income groups of household. Furthermore, better-educated people may try to exploit the available resources to alleviate the housing problem.

In the table 4.1 above indicated that the majority of respondents have degree holders and above (32.63%) followed by diploma (29.44%), secondary school level accounts (17.77%) and the rest (16.45%) of the respondents were primary school (1-8) educational level. The survey result implies that out of the total population, majority of sampled respondents have an educational level of primary education to College Diploma.

4.1.2. Characteristics of respondents by age and marital status

Out of 377 respondents, 119 (31.56%) were aged between 20 and 30 years, 107 (28.38%) were aged between 31 and 40 years and 92 (24.40%) were aged between 41 and 50 years, while 36 (9.55%) were aged between 51 and 60, and only 23 (6.10%) aged 61 and above.

Table: 4.2. Age and marital status of the respondents

household head	status household head			Total
	single	married	divorced	
20-30	70 18.57	48 12.73	1 0.27	119 31.56
31-40	13 3.45	86 22.81	8 2.12	107 28.38
41-50	0 0.00	78 20.69	14 3.71	92 24.40
51-60	0 0.00	33 8.75	3 0.80	36 9.55
61<	0 0.00	12 3.18	11 2.92	23 6.10
Total	83 22.02	257 68.17	37 9.81	377 100.00

Source: -Stata-12 measures of association, (2020)

The highest proportion of the respondents was within the age of 20-30 years, followed by age 31-40. These two age groups were the reproductive age group both in terms of economic and fertility perspectives. Thus, they have even a high potential for high population growth, which has a direct impact on housing demand. Because these age groups required or demand houses for various purposes. Hence, this indicates that the age group of the collected data has an impact to housing provision. On the other hand, out of the total sample respondents, 257 (68.117%) were married and 83 (22.02%) single and 37 (9.92%) were divorced regarding the marital status of the respondents.

4.1.3. Household size and duration of residence

As it was shown in Table 4.3, the household, size of respondents representing that the large family size of the households lies between 4-6, which, accounts 185 (49.07%) is followed by 150 (39.79%) family size of the household lays between 1-3. While 35 (9.28%) of respondents have a family member of lies between 7 and 9. The least family size of the respondents was greater than seven which 7 (1.86%) members.

Table: - 4.3. Household family size and duration of residence

household size	How long you have lived as residents in the Sululta town?				Total
	Below 1 y	1 -5 year	6-10 year	Above 11	
1-3	5 1.33	46 12.20	71 18.83	28 7.43	150 39.79
4-6	1 0.27	49 13.00	95 25.20	40 10.61	185 49.07
7-9	0 0.00	5 1.33	8 2.12	22 5.84	35 9.28
and above	0 0.00	0 0.00	0 0.00	7 1.86	7 1.86
Total	6 1.59	100 26.53	174 46.15	97 25.73	377 100.00

Source: -Stata-12 measures of association, (2020)

Household size can determine the capacity of a family to lead a normal life and the degree of congestion. If the heads have a higher number of children, the need may arise to feed, clothe, educate, and give health services, as well as need the appropriate number of rooms. Household size can also affect the housing condition, the social and economic condition of the household head. Furthermore, large expenditures for the basic needs and in turn badly affect the quality of the house as much of the income will go to children rather than improving the existing residential housing problem. The survey result that the household size is highly linked to the capacity of a family to lead a normal life. This implies that those respondents who have large family sizes spend a lot of money to fulfill the necessities. Thus, it is very difficult for the family with large members to save money to construct or buy their own residential house.

4.1.4. The demographic factor of household access to formal housing

In this analysis, it is used to test whether sex, age, educational level, family size, occupation, length of continuous residence, and income impact on access to formal housing in Sululta town. Table: 4.4. Test correlation analysis was run to examine the magnitude of relationship and association between independent variables and housing tenure status of the sample respondents'. Accordingly, if the p-value is less than 0.05 they are significant. This means the variable can

affect access to formal housing whereas the p-value is greater than 0.5 which means they are insignificant or not affect the independent variable.

Table 4.4:- correlation analysis of respondents access to formal housing

tenure	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
sex	.4019882	.0980128	4.10	0.000	.2092528	.5947235
age	.0806344	.0473944	1.70	0.090	-.0125634	.1738322
mstatus	-.0341072	.0922234	-0.37	0.712	-.2154581	.1472438
hhsz	-.1336092	.0815006	-1.64	0.102	-.2938745	.0266561
edulevel	.0024701	.0373574	0.07	0.947	-.0709908	.0759309
ccupation	.0059646	.0529071	0.11	0.910	-.0980736	.1100027
timelived	-.3841889	.06613	-5.81	0.000	-.5142289	-.2541489
income	-.4328235	.0433698	-9.98	0.000	-.5181071	-.3475398
_cons	5.013655	.3412128	14.69	0.000	4.342684	5.684627

Source: Stata, 12, correlation analysis, (2020)

The Gender composition of the sample respondent is considered, there is a positive relationship between sex and housing tenure in that male headship and home ownership is positively correlated. It is relatively male-headed households that can live in a greater proportion in their own homes than female-headed households. On the contrary, it is a female-headed household that lives in rented houses than male-headed. This is not without reasons in that majority of female respondents are more likely to be single which makes them free from family responsibility. Moreover, they are found in the low-income category. Hence, their aspiration towards home ownership is most probably low compared to that of male-headed households

There is also a positive relationship between the lengths of continuous residence and tenure status in that the proportion of homeowners increases with length of years they reside in the town. Because the more years the households spent in a given area or locality, they could be well integrated with the society and consequently, tend to produce some household asset such as housing. On the contrary, those who reside in the town for a short period of years tend to live in rental houses than having their own private homes.

There is a strong positive relationship between income and housing tenure. This shows that home ownership patterns exhibit an increasing trend with household income in that the higher the monthly income of the households, the more the chance to become homeowners than living in rental houses. Meaning as income of the household increases, the tendency to live with the owner-occupied housing unit also increases. However, the above table indicates that people with lower monthly income have nothing to spend to construct their own houses and live in rented houses

4.2. General housing situation and Affordability in the town

4.2.1. Types of housing units of respondents

One of the parts of this study has attempted to assess the overall housing situation and the main factors that determine of asses to adequate housing in Suluta town. According to the finding of the study; the distribution of housing units by the owner’s status of the sample respondents revealed that greater proportions of them do not have their own houses. Only 88 (23.34%) of housing units were owner-occupied and 207 (54.91%) of them were rented. Out of the total rented housing units in Sululta town, all most 204 (54.11%) of them were rented from private individuals. Only 3 (0.80%) were rented from kebeles.

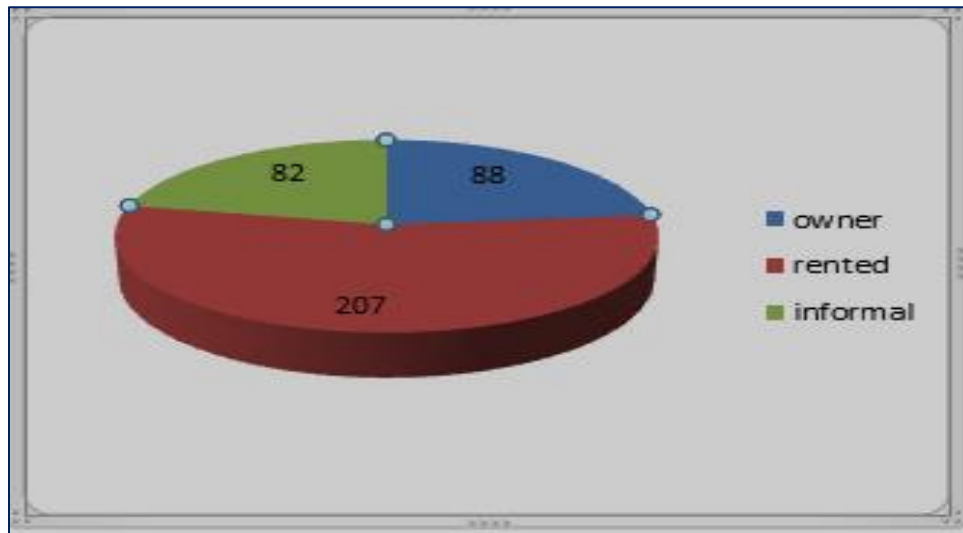
Table: 4.5. Types of housing units, of respondents

The house that you are living in is	Freq.	Percent
owner	88	23.34
rented private	204	54.11
kebele	3	0.80
notype (informal)	82	21.75
Total	377	100.00

Source: field survey, (2020)

The remaining housing units were informal settlements relatively that have much coverage, 82 (22.81%) housing units, which has no legal document from the government bodies and it is vulnerable for eviction by the administration.

Figure: 4.1. Types of housing units, of respondents



Source: field survey, (2020)

4.2.2. Housing Affordability

According to UN-HABITAT (2014), Affordability is an important element that states need to address to allow everyone access to adequate housing. For instance, the provision of affordable housing in public and private sector for the poor and low-income groups is a viable solution for these groups and prevents them from facing forced evictions based on their inability to pay housing costs (rent, mortgage, etc.). It also offers an alternative to informal settlements.

The affordability of owning a private home and rent price depends on the demand and supply-side factors. The demand-side factors include the macroeconomic environment, demographic situations, provision of finance for a mortgage, housing subsidies, especially targeted at low-income groups, and taxation. The availability of free land for real estate developers, skilled labor, reliable infrastructure, availability of appropriate technology for contractors, and suitable construction materials are among the supply-side factors (UN-Habitat, 2008). Also, policy intervention towards the housing affordability issue is vital because the market by itself cannot fully address by mobilizing the available resources (Habte, 2010).

On the other hand, the Ethiopian Federal Department of Housing and Urban Development (HUD) generally defines affordable housing as rent that does not cost more than 30% of the

annual household income. They consider that paying more than 30% of income, is a housing cost burden (Jean, 2007). However, depending on study the sector failed to provide affordable housing for the majority in general and low-income households in particular. The reason is the absence of a regulatory framework under which the sector is currently operating results in high rental price and housing consumption levels.

4.2.3. The relationship between housing type and income of respondents

As table 4.6, there is a strong positive relationship between income and access to formal housing in a study area. This shows that home ownership patterns exhibit an increasing trend with household income in that the higher the monthly income of the households, the more the chance to become homeowners than living in rental households. The indicator of this the home ownership their monthly income are between 1000 and 4000birr there is no household who can afford home ownership, while the higher monthly income of households, with greater than 4000 Birr which around 88 (23.34%) household can afford home ownership. Besides this, the majority household 82 (21.75%) whose income is lower than 3000 ETB is living in informal settlements.

Table: 4.6. Relationship between income and house ownership of respondents

The house that you are living in is	What is your monthly household income?					Total
	1001 to 2	2001 to 3	3001 to 4	4001 to 5	5001 abov	
owner	0 0.00	0 0.00	0 0.00	14 19.44	74 88.10	88 23.34
rentedprivate	11 61.11	28 42.42	101 73.72	54 75.00	10 11.90	204 54.11
kebele	0 0.00	3 4.55	0 0.00	0 0.00	0 0.00	3 0.80
otype (informal)	7 38.89	35 53.03	36 26.28	4 5.56	0 0.00	82 21.75
Total	18 100.00	66 100.00	137 100.00	72 100.00	84 100.00	377 100.00

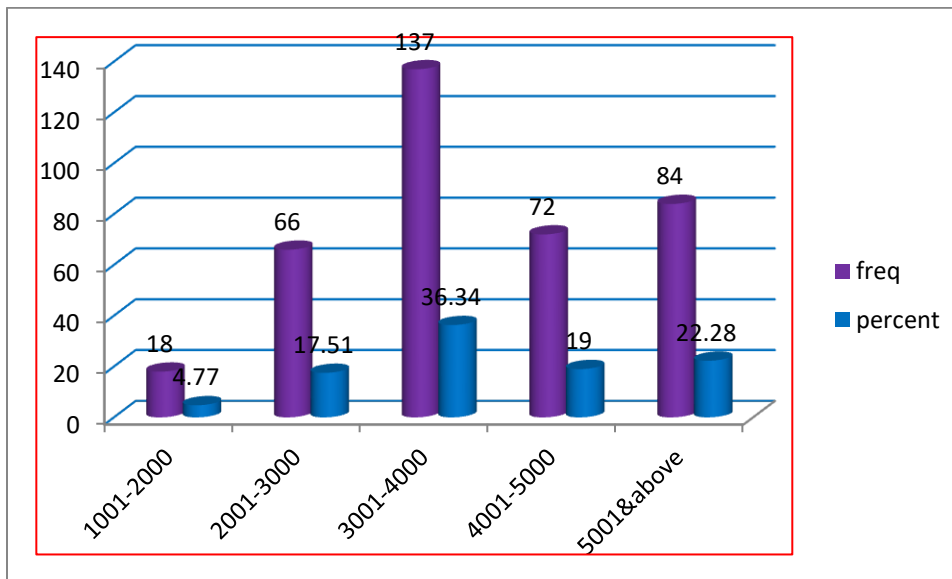
Source: Stata, 12, field survey (2020)

Meaning as income of the household increases, the tendency to live with the owner-occupied housing unit also increases. However, people with lower monthly income have nothing to spend to construct their own houses and live in rented or illegal houses.

4.2.4. Monthly Income of the Respondents

As indicated in the Figure 4.2, the majority of the respondents 137 (36.34%) their monthly income that they earn from their current job was 3001-4000 birr followed by 84 (22.28%) of the respondent's monthly income was 5001 and above Birr. The 66 (17.51%) of the respondent's their monthly income was between 2001-3000 birr and 72 (19%) of the respondent's monthly income was 4001-5000 birr. The rest 18 (4.77%) of the respondents their monthly income was 1001-2000 birr.

Figure 4.2: Monthly Income of Sample Respondents



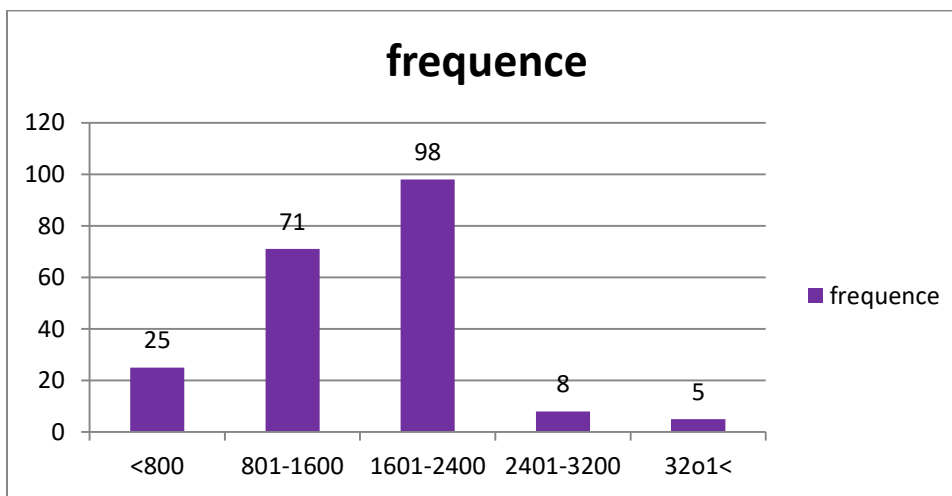
Source: Field Survey, 2020.

This shows a large proportion of the households categorized in the lower income groups. The level of income of the respondents indicates that, it is a major cause for the shortage of housing in the town. Since their monthly income is low, they have no capacity to save for housing or construct their own houses. Therefore, it shows that the low income level of the residents and problem of housing has their own relationship with the other.

4.2.5. The price of rental housing

Regarding the income of households and the price of the rental houses, the majority of the respondents 98 (47.34%) are paying 1601-2400 birr from their monthly income. And also 71 (34.30%) of the respondents who are paying between 8001-1600 birr per month for rental houses. 25 (12.08%) of the respondents are paying less than 800 Birrs for rents and 5 (2.42%) of the respondents are paying above 3201 birrs per month. The remaining 8 (3.86%) of the respondents are paying 2401-3200 birr per month.

Figure. 4.3: The Price of Rental House of Respondents



Source: Field Survey, 2020G.C.

Majority of the respondents in the study area were living in the rental house rented from private person. There is variation in rent price influenced by the fact that at the center of the town the accessibility of the facilities and services such as water supply, electricity and toilet facilities, while at peripheral of the town is comparatively cheaper due to the absence as well as irregularity in the supply of these facilities and services.

The study done by Taye (2013), confirms that the survey result, the private residential tenancy, the issue of rent as how it is determined, possible attributable factors for its increment, how much and how frequently the owners may increase on their initially agreement and what possible remedies are available for both parties in case of dispute is not set. There is no rental law to bind the two parties. Therefore, the renters predetermine the cost of rent in most cases; they increase the cost as they want. So, the survey result shows that majorities 47.34 percent of the

respondents were paying 1601-2400 birr per month. From this one can easily conclude that paid such amount of money for rent per month is very difficult to save and construct residential house in the town.

Asked about the measures taken by municipality in controlling the existing rent prices not to escalate, Municipal expert says the municipality has no power to control the price of privately owned houses but poses high taxes on those who increase the rent. The main cause of increasing rental prices in the town was the rapid population growth through migration from Addis Ababa to access affordable rents. Too many households live in unaffordable rental units which impose a cost burden on households. High expenditure on rental housing affects the capacity of low-income households to save for housing provision.

Moreover, this problem was further aggravated by the shortage of affordable rental housing due to a limited supply of housing and high demand for housing. Thus, the sector failed to deliver affordable rental housing accommodation. This is not in line with the country's human rights obligation under international human rights laws; for instance, the Committee on Economic, Social and Cultural Rights under General Comment No. 4 stated that member States to the Covenant must take necessary measures to ensure affordability of housing by any appropriate means.

4. 2.6. Housing facilities of sample households

For dwelling units of human beings housing facilities are a very important concern. Facilities such as water supply, electricity, toilet facilities, solid waste disposal areas, and kitchen facilities are taken as very important services in the study area. According to CSA (1999), the availability of pure water for drinking and other household uses as well as electric light is considered to be the most valuable indicator of the quality of housing units.

Table: 4.7: Provision of Services and Facilities

Service and facility	Type	Frequency	Percent
Water supply	Private	84	37.40
	Shared	152	40.32
	Absent	141	22.23
	Total	377	100
Electric	Private	111	29.44
	Shared	172	65.62
	Absent	9	4.93
	Total	377	100
Kitchen	Private	113	29.97
	Shared	188	49.87
	Absent	76	20.16
	Total	100	100
Toilet	Private	117	31.03
	Shared	197	52.25
	Absent	63	16.71
	Total	377	100

Source: field survey, (2020)

As presented in Table 4.7, the study focused mainly on four housing facilities, namely water supply, electricity, toilet facility, and kitchen facilities during the time of the survey.

Concerning the electricity, the Majority (65. 62%) of respondents' shared electric power, (29.44%) of respondents have private electric power and the remaining (4.93%) of respondents had no electric power in their dwelling unit. This shows that majorities of the respondents cannot utilize for others purpose rather than lighting. This indicates that due to the high illegality of the dwelling unit they have no right to have their own electric meter.

Source of water supply is one of the most important housing facilities which help us to identify whether the house is affordable or not. Availability water tap, majority (40.32%) of respondents has shared either inside or outside of the compound while (37.40%) have private water tap. The rest (22.23%) of households have not water tap, they are complained about limited access to water tap as well as far from the households of residences.

Picture.4.4: Water waiting turn at the public pipe in Sululta town



Source: photo taken by field observation, (2020)

The toilet is one of the basic facilities of residential housing that every housing unit ought to have; the absence and poor utilization of toilets have many negative effects that threaten the life of the community. As shown in Table 4.7, (52.25%) of households use shared toilets, (31.03%) of the household have a private toilet, (16.71%) of the household have no toilet.

From this result, we can understand that these household families used either in a road side open trench around their compound or near bushes which bring greater environmental pollution that affect human health. Regarding kitchen 49.87% and 29.97% of household have shared kitchen and in a private kitchen in the respectively. This shows that the majority of the households in the study area had no private kitchen and they used to cook in their living room.

4.2.7. Size and Number of Rooms

Housing quality is an important indicator of the well-being of the household. Good quality housing is a key element for ensuring a healthy environment while poor housing can lead to many health problems. Hence, the quality of a residential housing unit and the existing housing conditions vary greatly based on the size and number of rooms. On the other hand, significant housing units in old Sululta are found to be run down and overcrowded.

In Table 4.8. information on the total number of rooms, the present residence majority 198(52.52%) and 99 (26.26%) of the respondents were living in two and one rooms respectively. And 71 (18.83%) respondents were living in three rooms and the remaining 9 (2.59%) respondents were living in four-room dwelling units.

Table 4.8. Respondents on the size and number of rooms

accommodate your family?	How many rooms are there in your house?				Total
	One	two	three	four	
yes	7 1.86	13 3.45	48 12.73	8 2.12	76 20.16
No	92 24.40	185 49.07	23 6.10	1 0.27	301 79.84
Total	99 26.26	198 52.52	71 18.83	9 2.39	377 100.00

Source:-study survey, (2020)

According to item 2, the respondents, 301(79.84%) of respondents reported that the size of the room is not sufficient enough to accommodate their families and properties. From the total respondents, only 76(20.16%) of the respondents were explained that the size of the rooms is sufficient to live with their families. the result shows that the majority of respondents were lacking some sort of privacy, Moreover, in such a housing condition of the sample households dwelling space for the residents was inadequate.

4.2.8. Selected construction material walls and floor

Houses can be constructed from different materials. The construction materials differ from society to society, depending on their respective socioeconomic, cultural, and environmental condition. The quality and durability of the houses depend mainly on materials used in the construction.

As is shown in the table the walls of the house, 223(59.15%) of respondents were made up of wood and mud, which could be considered as less durable materials. In the same way, (55.17%) of the floor was made up of mud or earth floor.

Table 4.9: types of construction materials of walls and floor

Types of Construction material from the walls	Types of Construction material for floor		Total
	Mud/ eart	Cement/ c	
wood/earth mud	138 36.60	85 22.55	223 59.15
stone and cement	68 18.04	81 21.49	149 39.52
tin and wood	2 0.53	3 0.80	5 1.33
Total	208 55.17	169 44.83	377 100.00

Source: own field survey, (2020)

The finding derived based on information obtained from Municipality office experts' also showed that the construction materials of the house made up of wood and mud in the town so that the quality of the house is poor and less durable. Especially the old Sululta residential housing condition is found in bad condition, highly deteriorated, substandard and inadequate. Moreover, the town's municipality housing status is not only of low in quality but also that the town administration couldn't plan to improves the situation. The situation is becoming worse when the time will be increased.

Infield observation, most of the houses provide for urban residents in the town did not possess enough open space, adequate water supply every day, and other services. Hence, it can be

possible to conclude that there were low poor housing provision and high housing provision challenges for urban residents in the town.

4.3. Housing policy and regulatory analysis

After the *Derg*, the transitional government of Ethiopia issued urban land lease proclamation No 80/1993 in December 1993 in order to provide for the utilization of urban land to satisfy the needs of the various section of the population, to address the problem associated with a high rate of urban population growth which resulted in the expansion of urban centers without a plan and the allocation of urban land, to address the inadequacy of financial capacity of urban centers, to implement the free market principles by creating condition whereby the right to use urban land can have a market value, to control loopholes, corruption, and appropriation of unjustified gains realized during the transferor the right to use urban land whose value has appreciated (TGE, 1993).

Freehold is a form of ownership of land an indefinite duration and inheritable. But, Leasehold tenure, in contrast, involves a landlord and in most cases, the use right is for a fixed duration. The main difference between the two is that the leaseholder is governed by the laws of the land and the terms of the lease lay down payment by the landlords while the freehold is only bound to the laws of the land and nothing else.

This proclamation makes all urban lands, except those previously used for the construction of residential houses are governed by the lease policy and gives regional states the power to formulate regulations of urban land based on the federal policy on urban land lease. Based on the right given by the federal government, urban land rent is to be determined by regional self-governments based on the level of the urban environment.

Oromia urban areas under lease proclamation: As stated the proclamation of the federal government (federal Negarit Gazeta proclamation No 721/20011)” the right to use of urban land by lease shall be permitted to realize the common interest and development of the people” here the proclamation grants accessibility of land for all populations equally through a bid process. But in reality, since the land lease process is competitive the low-income people in urban areas of the Suluta town cannot afford the cost of lease price due to the high cost of the land and their low income.

Table. 4.10. Distribution of towns in Oromia under lease proclamation

No	1 st group order towns	2 nd group order towns	3 rd group order towns	4 th group order towns
1	Burayu	Mojo	boqoji	Bodessa
2	Sebata	Nekemte	Dodala	Shambu
3	Suluta	Jima	Arsi Nagele	Matu
4	Laga Xafo	Asala	Goba	Badele
5	Galaan	Waliso	Ginir	Dambi Dolo
6	Dukem	Ambo	Ya'a balo	Agaro
7	Bishoftu	Bishan Guracha	Bule Hora	Matahara
9	Adama	Sandafa	Nagele, Ciro	Fiche
10	Shashamane	Batu	Adola, Awayday	Gimbi
11		Holota	Haramaya, dadar	Najo

Source: Adopted from a housing cooperative program of Oromia Region

As indicated in Table 4.10 the land price of Suluta town falls under group 1st division of Oromia land lease price benchmark. Therefore the total price for the 1st land rank of 140 m² land lease price is $428 \times 140 \text{ m}^2 = 59,920$ 2nd land rank $140 \times 362.1 = 50,694$ and 3rd land rank of 140 m² lease price is $140 \times 307.79 = 43,090$.

Table.4.11. Benchmark lease price of the residence

No	Order of the town	Rank of land	Benchmark per M ²
1	1 st order	1	428
		2	362.1
		3	307.79
2	2 nd order	1	307.79
		2	261.62
		3	222.41
3	3 rd order	1	222.41
		2	189.05
		3	160.69

Source: Adopted from a housing cooperative program of Oromia Region

Based on the above table land price of the Oromia towns in comparison to the monthly earning of sample household, land for housing is not affordable and even it was difficult to pay the first

10% down payment of the lease cost. Therefore the lease policy did not consider the right of the poor and excludes the poor urban dwellers from the competition of land for housing.

Data obtained from land development and management department of Sululta town shows around 1178 plots of land have been transferred to the beneficiaries through lease holding. The initial price for single m² of land is 428 ETB and the recorded auction price for single m² of land ranges from birr 18000 to 9,000. From 377 respondents who fill the questionnaires, only a few (5%) people secured land by lease purchase.

In addition to down payment, the proclamation guarantees the completion of construction within the period specified under the lease contract within 24 months for a small construction project, up to 36 months for the medium construction project and 48 months for larger construction projects. From these limited periods, and actual income of the households, even if the poor household wins the land lease bid, it is difficult to construct a house within the given period due to the cost in addition to the price of a down payment.

Therefore, the lease policy still does not consider the poor resident's people in urban Oromia in general and the study area in particular, because since the holding procedure of land for housing is through bid always a winner is the richest which marginalizes the accessibility of urban land for poor people.

4.4. The main factors in housing provision in Sululta town

It is easy to see from the discussion that there is poor housing provision for urban residents in Sululta town. Even though, the existing residential houses are below standard and lack of facilities. This is mainly due to the lack of residential housing supply. However, it is difficult to list all factors responsible for the poor housing provision in the town; major factors were identified by respondents. The major factors identified by respondents were related to financial constraints, imbalance housing demands and supply, the cost of construction materials, interference of illegal broker related to housing and land, the problem of properly housing policy design and lack commitment and efforts of urban administrators regarding the provision of housing for urban residents.

4.4.1. Financial constraints

As to Thwala (2005:6) stated as the main cause of the housing problem in the developing countries to be a governments' lack of financial capacity to deal with the problem in an effective and efficient manner. The Studies have shown that the supply of housing in developing countries generally has been constrained by shortage of financial capacity to deal with the problem which makes the city authorities entrusted with the responsibility of providing the services.

The data gathered through interviews from municipality key informants also assured that financial challenge is one of the major problems for accessing residential housing for the urban dwellers. There is also a lack of lending institutions for low income groups in the study area. The finding indicates that low income groups in the town have not finance access to construct or buy their housing. The formal financial institutions like banks require the collaterals to secure the loan.

Table. 4.12: Housing Finance, Sources of respondents

finances to purcha	Freq.	Percent	Cum.
financial intn	13	7.60	7.60
own saving	99	57.89	65.50
gov. subsidy	7	4.09	69.59
Ikub	33	19.30	88.89
family/friend	19	11.11	100.00
Total	171	100.00	

Source: Field survey, (2020)

As indicated in table 4.12, The majority 99 (57.89 %) of the households replied that if they need to construct their housing, the only finance source they used is the personal saving that they save for their own or using traditional money-saving like 'Iqub' and they helped from their related family/friend. The municipality has not made any effort in availing housing finance for these groups to address their housing problems.

There is a distinct absence of a diversified and flexible housing finance sector in the study area. The difficulty to mobilize adequate savings by low-income households coupled with the requirement by the bank to present evidence of collateral in property and asset valued at 30% of

the total construction cost made it all impossible for many low-income households to access housing loan as they depend on the informal sector.

4.4.2. Residential housing Land supply

Land is fundamental to the provision of housing: if there is no land on which to build houses, none can be built, irrespective of the availability of the other inputs required for housing delivery. In particular, the location and cost of residential land are important determinants of housing affordability, (UN-HABITAT, 2011).

The study results in Table 4.13, the majority of respondents were agreed that the supply of land doesn't meet the demand for residential housing in the town. The chi-square value is 727.602. The p-value is $< .00001$. The result is significant at $p < .05$. This means the demand of the residential land is increased from time to time in the town. But, there is a low supply of residential housing land. This indicated that the supply of land did not satisfy the demand of urban residents for residential house construction.

Tabulation: 4.13. The opinion of respondents regarding land supply

The Chi² value is: 882.297

	<i>Observed</i>	<i>Expected</i>	<i>Difference</i>	<i>Difference Sq.</i>	<i>Diff. Sq. / Exp Fr.</i>
st agree	305	75.4	229.60	52716.16	699.15
agree	37	75.4	-38.40	1474.56	19.56
neutral	21	75.4	-54.40	2959.36	39.25
dis-agree	10	75.4	-65.40	4277.16	56.73
st disagree	4	75.4	-71.40	5097.96	67.61
					882.297

The Chi² value is 882.297. The p -value is $< .00001$. The result is significant at $p < .05$.

According to the countries, residential land possession policy people can own land through lease competition. Therefore, lower-income households cannot compete to secure land with this price. An expert from the land sector says about their plan regarding low-income households, they have

a program for low-income groups to deliver lands when they request in the cooperative. According to the revised proclamation no. 181/2015 of the Oromia Housing Cooperative, the members of cooperatives should have to obtain land when each member has deposited 30% of the price of the houses depending on the proposed housing types for households. Due to the inability of low-income groups to save them money, they didn't deliver any land for the cooperatives.

4.4.3. Attempted to get Land for residential housing construction

The survey results imply in Table 4.14, 62% of the respondents attempted to get land for residential housing in the study area and 48 % of the respondents did not attempt to obtain land. Currently, the high demand for the residential house land since there is excessive pressure on urban land requests, but a proper supply of land is not yet given responsive attention. In addition to the procedures that have to be accomplished during the process of an application takes a long time. Furthermore, there was a lack of transparency in the distribution of land in land administration and management of sululta town. Therefore, the majority of the respondents were lost hope to get residential housing, land by competing with others by new land lease policy permits.

Tabulation: 4.14. Respondents of attempted to get land for housing

Yes	178	85.17
No	31	14.83
Total	209	100.00

Source: Field survey, 2020.

Moreover, Institutional related factors that influence access to land in the study area. The land is the most important among others, for the development of housing as the structure requires some land to erect on it. However, in the process of land delivery for the people in urban center access to residential land for housing construction can be influenced by several institutional related factors. The main institutional related factors that affect access to residential land in Sululta town

include: poor institutional capacity (lack of skilled, qualified and experienced manpower), bureaucratic administrative procedures in residential land delivery which is long and time-consuming, poor urban land management in the town (poor land use planning, poor land allocation, poor coordination, poor monitoring, and evaluation mechanism) and weak implementation of good governance principles such as transparency, equity, and participation are the major institutional related factors.

4.4.4. The rapid rate of urbanization impacts on housing provision

The recent trends of the world urbanization have clearly shown that the fastest growth rate of urban population in developing countries. This rapid rate of urban population growth required houses to live. However, housing provision was inadequate in many developing countries of the world. Similarly, in many urban centers of Ethiopia, there were imbalance housing demands and supplies. The study resulted in Tabulation 4.15, Shows that the chi-square value is 727.602. The p-value is < .00001. The result is significant at $p < .05$. This means the majority of respondents strongly agree that since the high rate of population growth, increasing the demands for a large number of houses. This unbalanced growth between the demand and supply creates serious shortage of housing and increase at a great proportion of the households to pay high rents. Moreover, the cost of rental housing was increased from time to time in the town.

Table: 4. 15. Respondent’s opinion on rapid rate of urbanization

The Chi² value is: 529.618

	<i>Observed</i>	<i>Expected</i>	<i>Difference</i>	<i>Difference Sq.</i>	<i>Diff. Sq. / Exp Fr.</i>
st agree	247	75.4	171.60	29448.58	390.54
agree	75	75.4	-0.40	0.16	0.00
neutral	40	75.4	-35.40	1253.16	16.62
Dis agree	10	75.4	-65.40	4277.16	56.73
st disagree	5	75.4	-70.40	4956.16	65.73
					529.618

The Chi² value is 529.618. The p -value is < .00001. The result is significant at $p < .05$.

According to the sululta municipality, Sululta town is one of the eight Oromia city administrations bordering Addis Ababa City. The town received special attention during 2007 new Oromia town's reforms that raise the status of the town to 2ndA. This situation of the town's grading has since resulted in unprecedented growth in terms of activities and population. Its proximity to Addis Ababa has forced many to relocate business and residence from Addis Ababa to Sululta town.

Figure.4.5.The people move from Addis Ababa to Sululta



Source:-ETV Zena, 2020

The municipal manager says that the town's population shows a difference of eight times growth from the year 2007 to 2019 following the attention given to upgrade the town. According to this opinion, this situation causes the town's housing problem to become escalating from time to time.

4.4.5. The efforts made by the town to address the housing problem

The provision of housing for the urban poor is not only the role of a single body; rather it has to be addressed through the integration and cooperation among various stakeholders. As Kebede (2011) speculates on the role of Actors in shelter delivery in Addis Ababa, the government, Private sector (Real estate developer, Cooperatives, and Individuals) and Non-Governmental Organizations (NGO) are considered as the major actors in housing construction and marketing activities.

The study resulted in Tabulation 4.16, the chi-square value is 727.602. The p-value is <. 00001. The result is significant at $p < .05$. This means the majority of respondents were agreed that the major factor in adequate housing provision is lack of the efforts and commitment of urban managers to address the housing problem.

Table: 4.16. The efforts made by the town to address the housing problem

The Chi² value is: 575.241

	<i>Observed</i>	<i>Expected</i>	<i>Difference</i>	<i>Difference Sq.</i>	<i>Diff. Sq. / Exp Fr.</i>
st agree	257	75.4	181.60	32978.56	437.38
agree	68	75.4	-9.40	88.36	1.17
neutral	33	75.4	-42.40	1797.76	23.84
dis-agree	17	75.4	-58.40	3410.56	45.23
st disagree	4	75.4	-71.40	5097.96	67.61
					575.241

The Chi² value is 575.241. The p -value is <.00001. The result is significant at $p < .05$.

To reduce the housing crises of the urban poor is not only a task of the government. The government should encourage different stakeholders to involve in housing production. The Local government has also a mandate of coordinating and integrating actors/stakeholders to support the housing provision of the urban poor residents. As revealed from the finding local government of Sululta town has not coordinated stakeholders since no stakeholders engaged in the low-cost

housing provision. This is due to the concerning sector's failure to give attention to support the poor. Therefore, the issue of housing provision does not give equal attention to other urban problems in the town. The core gap here is the town has not incorporated stakeholder participation in supporting the urban poor in their plan.

4.4.6. Lack of raw material resources

Lack of raw material resources is another challenge that led to the poor housing provision in Sululta town. As information obtained during interviews with some selected households, there was lack of raw material resources in addition to shortage of finance in this town. The study also found that lack of raw material resources makes it difficult to provide adequate housing in the town since there are scarcity of different raw materials for construction of houses for urban residents as it was confirmed by respondents.

According to Bob (2007:18), the supply of housing has been constrained due to restrictive government land policies, shortage of key construction raw material resources such as metal for building, cement because of shortage of budget, which have caused price increase and delays in the delivery building. Thus, this is also true in the case of sululta town as collected data indicates. Moreover, as the provision of housing is associated difficulty to meet adequate investment on it as mostly government give low priority to the housing sector due to shortage of raw material resources (Tilahun, 1997: 115).

Due to FGD of the groups was answered lack of raw material resources were one of the major reasons behind poor housing provision for urban residents in Sululta town. From the interview with the members of the municipality office ensured that one of the reasons for inadequate housing provision in the town is due to lack of raw material resources. Hence, it is possible to summarize that one of the factors responsible for inadequate housing in Sululta town is due to lack of adequate raw material resources (metal for building and cement).

4.4.7. Local housing brokers/facilitator

Table. 4.17. Below, the majority 303 (80.59%) of the respondents, the sources of information to get about the house to buy or sell and rent are from local brokers and 46 (12.23%) from their

related families and friends. Only 20 (5.32%) they got information from government bodies. This indicates that there is a problem within government organizations the system which is directly giving information for urban residents regarding to housing issues.

Tabulation. 4.17. The sources of information regarding to housing issues

For you, what is the main source of information about Land and house to buy or s	brokers have a contribution to the increase of housing market /rental housing co		Total
	Yes	No	
Social media	7 1.86	0 0.00	7 1.86
Broker	259 68.88	44 11.70	303 80.59
Government communicat	17 4.52	3 0.80	20 5.32
Related family/Friend	27 7.18	19 5.05	46 12.23
Total	310 82.45	66 17.55	376 100.00

Source, field survey, (2020)

According to item 2, the majority of respondents, 301 (79.84%) were agreed that the interference of local brokers in housing issue without government recognition is a high contribution on the housing market. This indicates that the interference of local brokers in housing issue is one of the main factors for shortage of housing in the town.

According to Municipal office experts, the facilitator/broker interfering in the housing market is a serious challenge on housing affordability even if on the security of entitled. This group is not a formal organization. They are informal. They are increase the housing price as they want. As a result of this, the rate of the price of houses is increasing from time to time.

4.5. Focus group discussion (FGD)

Focus group discussion was also conducted with those who have sufficient knowledge about the practice and challenges of housing provision for residents in the town. To obtain relevant

information as well as triangulate and validate data, three FGD were being organized with three official groups, 2 (two) groups of experts were selected from different sectors who have deep knowledge about related issues and one group was selected from residents (elders and the young). Each group of FGD has five members and the researcher tries to moderate the discussion by raising ideas, which need more clarification. Those groups confirmed the poor housing provision in the town. Besides this, the participants were also ensured that there were high housing provision challenges and constraints in the town.

Figure: 4.6. Sample FGD experts and some selected household during discussion



Source: - photo taken by author (2020)

According to them the major challenges of residential housing supply in the town are a financial constraint, the interference of illegal brokers in housing issues, imbalance of housing demand and supply, high cost of construction materials, lack of supply of land, and inadequate financial institutions. These challenges hindered to the residential housing supply in the town.

Regarding to housing program market approach of land lease price was not an inclusive approach to the poor people in the urban areas and the proclamation guarantees the completion of construction which in the period specified under the lease contract indicates up to 24 months

for a small construction project, up to 36 months for the medium construction project and 48 months for the large construction projects is unimpossible for urban residents.

In the discussion all groups were agreed that, since high rate of population growth, increasing the demands for a large number of housing. This unbalanced growth between the demand and supply creates serious shortage of housing and increase at a great proportion of the households to pay high rents. Moreover, the cost of rental housing was increased from time to time in the town. This is difficult for the low income earners and urban poor who cannot find better accommodation.

Generally, according to the discussion all groups conclude that the result of poor housing provision in Sululta town, many negative effects on urban residents such as affects of the socioeconomic life of an individual, increasing rental housing price, forced to reside evicted by government bodies and being unable to get rent house for large family size.

4.6. Effects of poor housing provision on urban residents

Housing is the basic and indispensable human need that determines healthier living conditions. It encompasses and determines the developmental, psychological, health, social, and economic aspects of human life (Habte, 2010). The residential housing shortages are a serious problem of Sululta town that resulted from high population growth, migration of people, low supply of housing units, and the economic incapacity of households to construct their own houses.

The effects of poor residential housing provision had many negative effects on urban dwellers. When urban residents are not able to access adequate housing supply, they would be exposed to the high expenses of life, socioeconomic problems, and other problems. According to the result of the study majority of the respondents reported that poor of the residential housing supply are exposed for high expenses, increase rental house price, difficult to get housing for large size family, affects socio-economic life of individual and forced to reside in the peripheral area of the town for the search of low-cost rent houses. In fact majority have resided to informal housing due to escalating housing price.

House provides a sense of identity and personal security. As such a secured tenure is one of the most important aspects of housing. According to Lagorry and Pipkin (1981), having no security

of housing implies social exclusion and losing contact with situations capable of satisfying higher goals. They also pointed out that the security of residential tenure has many negative consequences in that living in informal housing, which is built on illegally occupied land makes the household extremely vulnerable to the threat of forced eviction.

Figure: 4.7-informal house identifies for demolishing and demolished in Sululta Town



Source: - Field photo by author (2020)

According to the town municipal mayor's lack of the residential housing supply in the town caused illegal housing provision and unmanageable urban land expansion in the town. Furthermore, they mentioned that the demand for residential housing is increasing very rapidly from time to time, without a new residential housing supply. As a result, homelessness would become a major problem in the town. Therefore, the responsible bodies better to give great attention to this problem unless it will be serious and may not be controlled easily by socioeconomic activities of the residents for their income level is low.

4.7. The opportunity of the provision of formal housing

The availability of domestic construction materials and land is the most crucial opportunity for benefiting households in housing provision. Based on the finding the municipality has enough resources used for housing construction like local construction material and the town has plenty of residential land which is the main revenue source for the town.

Especially in Sululta town the opportunity for housing provision, domestic construction materials are available. Example, stone, soil, wood, and gravel are in excess amount that even the surrounding towns are using these resources from here. Depending on findings, the other opportunity of housing provision for urban residents is, traditional money-saving are well known in our community associations like 'iquib' and 'idir' plays a significant role in housing finance of the low - income group of the town and the majority of them who become to home ownership are through informal institution saving. Though, by using and expanding this experience the households have chance to become homeownership.

CHAPTER- FIVE

5. Conclusions and Recommendations

5.1. Conclusions

The finding of this study revealed that there was poor housing provision for urban residents in Suluta town. This is mainly due to imbalance housing demands and supply as the rate of urbanization is increase in this town. That means, demands for housing is increases, its supply does not show correspondence to it. Even though, there was not only housing shortage in the town, but also the existing houses were below standard level and lacks enough basic facilities.

The study indicated that the distribution of housing tenure status of the respondents of Sululta town revealed that a great proportion of them do not have their own private houses. The majorities 54.91% of them were rented, 22.81% informal settlements, and only 23.34% of the housing units were owner-occupied.

The housing facilities and services are crucial to making life easy and comfortable. But, the facilities and services of residential housing such as kitchen, toilet, electricity, and water supply are insufficient to the households in the study area. However, there is inadequate supply of the facilities and services created a serious problem for the urban residents in the town.

The study showed that due to lack of adequate housing provision for urban residents in this town, the majority of the residents were challenged by shortage of housing provision. Because of poor housing provision, the majority of urban residents were forced to live in rented and informal houses. However, the price of rental houses is increased from time to time in the town.

The housing sector failed to provide affordable housing for the majority in general and low-income households in particular. Because of the housing policy did not consider the right of the poor and excludes the poor urban dwellers from the competition of land for housing as well as the absence of a regulatory framework under which the sector is currently operating, which in high price (> 30%) levels for housing prices.

According to the survey result of the study, major challenges of residential housing provision in the town are financial constraint, imbalance of housing demand and supply, high cost of construction materials, lack of supply of land, and inadequate financial institutions, lack of efforts and commitments of urban managers, the interference of illegal brokers in housing issues, the problem of housing policy designed and the household demographic characteristics factors (gender composition, length of continuous residence and monthly income of the households).

These challenges hindered the residential housing supply in the town. As a result, many negative effects on urban residents such as affects socio-economic life of individual, increasing rental housing price, forced to reside in informal settlement and peripheral area of the town in search of low cost rental houses and being unable to get rent house for large family size.

Based on the finding the opportunities of residential housing supply for residents are the municipality has enough resources used for domestic housing construction materials like local construction material. On the other hand, the town has plenty of residential land which is the main revenue source for the town. In addition to this, traditional money-saving associations like 'iquib' and 'idir' play a significant role in the housing finance of the low-income group of the town.

Hence, it can be concluded that there was poor housing provision in the town and the existing houses were also not completely in standard level. This indicates that municipality office could not provide adequate housing services for its resident's because of shortage of residential houses in the town. Due to this the residents were challenged by impacts of housing shortage. Therefore, the study forwards the following recommendation to alleviate the existing challenges of housing provision in the town.

5.2. Recommendations

The availability of affordable houses for the urban population is the main point to which the government and every stakeholder has to give due attention. Accordingly, the following are recommended at least to minimize the extent of the housing problem:

- Currently the rate of urbanization increased in the town. But the town faces the challenges of imbalance houses demands and supply. Thus, it is important to design the program of condominium house construction according to the level of the town to solve the problem. Because until now there was no condominium houses in the town.
- In addition, it is important to recognize strategies that should be incorporate the issue of social and economic development of rural areas. Because improving the economic and infrastructure of rural areas will reduce the rate of rural-urban migration which is one cause for increasing housing demand that resulted to housing shortage in the town.
- From sample households, majority of the respondents are low income earners. They were not in a position to construct their own residential house. Thus, the government should access loan to be repaid back in the long run for low income households, middle income and the urban poor to construct the housing.
- The city administration should improve the problems that were related to housing facilities and services like water supply and electricity. It is better to target poor households since they are the most vulnerable society due to their low and unreliable incomes.
- The study shows that the interference of illegal housing brokers in housing issues is one of the main challenges of affordable housing provision in Sululta Town. To minimize the problem, the local government should be institutionalized these group. Because, it has two advantages: Creates job opportunities for many unemployed and it is used as source of information for urban residents.
- Land supply for residential housing is one of the major challenges for the residential housing provision for the residents. The main reason is land administration and

management systems are very poor. Therefore, the municipality should establish a modern land Administration system and supply land insufficient to meet the need for residential housing developments.

- The housing demand of urban residents of the town not only met by the government. The government should create a favorable environment and encourage NGOs, the public and private sectors to participate in the construction of residential housing to solve the existing residential housing problem of the town
- Suluta town is the source of kinds of milk, meat, grassroots, cattle, and minerals. But, the main challenge of housing provision is little income of the households. So the local government has to develop the mechanisms to support by creating income-generating, initiatives and creating job opportunities for the household to construct their housing.
- Giving continuous capacity building programs to encourage the traditional saving money culture associations like 'iquib' and 'idir' plays a significant role in the housing finance of low-income groups of the town.

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URBAN DEVELOPMENT AND LIVELIHOOD PROGRAM

Thesis title: Practice and challenges of housing provision in the Oromia region: the case of Sululta Town.

Annex

Part.1. Questionnaire for the sampled households

The main aim of this questionnaire is to collect data as input for the study entitled ‘ ‘ the Practice and challenges of housing provision in the Oromia region: the case of Sululta Town’ ’Dear respondent, I would like to inform you that this questionnaire is for academic purposes only. The outcomes of this study may help the efforts made by the responsible bodies to find ways of improving the existing challenges in the town. As a resident of this town, your views and ideas are considered very important for the success of the study and it would be very much appreciated if you spend a little time answering this questionnaire. So I kindly request you to fill this questionnaire without hesitation. For all your cooperation and time I thank you in advance.

I. Personal information of the respondent:-

- 1. Sex:** 1. Male 2. Female
- 2. Age:** 1. 20-30 2. 31-40 3. 41-50 4. 51-60 5. ≥ 61
- 3. Marital status:** 1. Single 2. Married 3. Divorced
- 4. Household size:** 1. 1- 3 2. 4-6 3. 7-9 4. 10 and above
- 5. The education level of household head:** 1. Illiterate 2.Primary education (1-8)
3. Secondary education (9-12) 4. College Diploma 5. Degree & above
- 6. What is your occupation?** 1. Civil servant 2. Self-employ/informal
3. Private 4. Unemployed

7. How long you have lived as residents in the Sululta town? 1. Below 1 year 2. 1 -5 years
3. 6-10 years 4. Above 11

8. The house that you are living in is 1. Your own 2. Rented from private owner
3. Rented from Kebele 4. In my house, but I have no legal document

9. What is your monthly household income? 1. ≤ 1000 2. 1001- 2000 3. 2001- 3000
4. 3001- 4000 5. 4001-5000 6. ≥ 5001

10. If you have rented from any other owner, what is the amount of rent that you are paying per month?

1. ≤ 800 2. 801-1600 3. 1601-2400 4. 2401-3200 5. 3200 above

11. Has your legal rental agreement document between private and any house owner?
1. Yes 2. No.

Please explain the challenge of living in rental housing _____

12. Why are you living in rental housing? 1. No my own house 2. It is close to the place of work
3. It is because I could not get the land 4. I can't afford

13. In Suluta Town, have you ever attempted to get land for residential housing? 1. Yes
2. No

If your answer is 'yes' what a response you get from responsible bodies? And if your answer is No why? _____

14. For you, what is the main source of information about Land and house to buy or sell as well as to rent a house from the owner? 1. Social media 2. From local illegal broker of land and house
3. Government communication 4. Family/friends

15. You think that those housing brokers have a contribution to the increase of housing market /rental housing cost? 1. Yes 2. No

If yes, how? _____

16. If you are living in your own home, how did you become a homeowner? 1. Self-built
2. By purchase 3. Inheritance 4. By Municipality

17. If you have land or a house under what arrangement is your land/house ownership type?

1. Freehold 2. Lease 3. Other (specify) _____

18. If you have purchased or built by yourself, what is the source of your finances to purchase a house?

1. A loan from financial institution 2. From my own saving 3. By Government Subsidy
 4. By the support of NGO 5. By traditional saving like Ikub
 6. From related families or friends

19. How do you evaluate the features of the house that you are living in now?

Housing facilities				Types of construction material			
Facilities	1. Private	2. Shared	3. Absent	For the wall		For the floor	
Kitchen				1.Wood & mud		1.Mud/ earth floor	
Electric				2.Stone & cement		2.Cement/ concrete	
Water				3.Tin and wood			
Toilet							

20. The total number of rooms is sufficient to accommodate your family? 1. Yes,
 2. No

21. How many rooms are there in your house? 1. One room 2. Two-room 3. Three rooms
 4. Four-room

22. Do you agree that financial constraints are the key factors for affordable housing?
 1. Strongly agree 2. Agree 3. Neutral 4. Disagree 5. Strongly disagree

23. Do you agree that the current housing program/policy/ are not benefiting low-income groups:
 1. strongly agree 2. Agree 3. Neutral 4. Disagree 5. Strongly disagree

24. Do you agree that the shortage/increase price of housing is due to migration?
 1. Strongly agree 2. Agree 3. Neutral 4. Disagree 5. Strongly disagree

25. Do you agree that the town administration has no capacity/effort/to address the housing program? 1. Strongly agree 2. Agree 3. Neutral 4. Disagree 5. Strongly disagree

26. Do you agree that informal brokers are the main factors in increasing the price of housing in this town? 1. Strongly agree 2. Agree 3. Neutral 4. Disagree 5. Strongly disagree

27. Do you agree that there is a high cost of Construction material for self-help housing building? 1. Strongly agree 2. Agree 3. Neutral 4. Disagree 5. Strongly disagree

28. Do you agree that there is access to land for housing supply, but the problem of land supply? 1. Yes 2. No

29. Has your information or see the evicted household or any citizen in the case of informal settlements in the town? 1. Yes 2. No

If there is an evicted household, please explain your fearing _____

Please write if any, comments?

Thank you!!!

Part two: Focus Group Discussion (FGD) Question

1. Is there a problem with housing provision for urban residents in the town? A. Yes B. NO

2. How do you evaluate the problem of existing housing provision for urban residents? _____

3. What are the main causes of this problem? _____

4. What are the challenges and constraints of housing provision in sululta town? _____

5. How do you evaluate the commitments of urban office managers and experts to improve the existing problem? _____

6. What are that the policy and regulatory issues contributing to the problem? _____

7. What are the effects of poor housing provision on urban residents? _____

8. What do you suggest can be done to help the urban poor get access to formal housing? _____

9. What are the local best practices of residents in solving their housing problems? _____

Thank you!

Part three: Interview questions for Land Development and Administration manager and Experts

1. Do you think that there is a residential housing problem in the town currently? A. Yes B. No, If yes why and if no why not? _____

2. What are the major reasons for the unbalance of demand and supply of the residential housing land provision in the town? _____

3. What are the demand and supply of residential housing in sululta town from 2008 to 2012 EC?
2008____ 2009____ 2010____ 2011____ 2012____

4. How do you implement Land use planning in using scarce resources to meet the needs of residents in housing? _____

5. What is the percentage of the land allocated for housing in the land use plan? _____

6. Is there an evicted household or any citizen in the case of informal settlements? If there is an evicted household why?

7. How many households evicted the cause of informal settlements? _____

8. Do you think eviction is a remedy to informal settlement? If yes/no why? _____

9. What land development policy (programs) are in place? _____

10. which type housing policy is more demanded or preferred A. Self-build B. Public housing C. Condominium D. cooperative, why more demanded _____

11. Do you think that the land lease proclamation implemented properly in the town? If not, why and if yes how? _____

12. Is the land lease price affordable to the majority of town residents? If not why and if yes how? _____

13. How do you evaluate the current policy concerning land delivery for marginalized groups, including low-income households? _____

14. What do you think need to be done to address the problem? _____

Any comment _____

Part four: Interview questions to municipal urban Housing Development management and experts.

1. Do you think that there is a residential housing problem in the town currently? A. Yes B. No, If yes why and if no why not? _____

2. What are the main challenges in housing provision? _____

3. How do you evaluate the role of informal brokers contributes to the land and housing markets? _____

How can organize this group and solve the existing problem? _____

4. What types of housing programs in your town currently implementing? _____

5. which type housing policy is more demanded or preferred A. Self-build B. Public housing C. Condominium D. cooperative, why more demanded? _____

6. How do you evaluate the current policy towards providing housing for urban residents in the town? _____

7. What are that the policy and regulatory issues contributing to the problem? _____

8. What are the effects of lack of housing provision on urban residents in the town? _____

9. What opportunities for providing housing for urban residents in the Suluta town? _____

10. What can be done to help the urban poor get access to formal housing? _____

Part five: Interview question to Suluta mayor

1. How do you evaluate the housing provision in the town? _____

2. What are the main challenges in housing provision?

3. Is there an evicted household or any citizen in the case of informal settlements? If there is an evicted household why? _____

4. Do you think eviction is a remedy to informal settlement? If yes/no why? _____

5. What are that the policy and regulatory issues contributing to the problem?

6. Do you think there will be a willing private sector to build a house for the poor? If it is not charity organization?

7. Is there any action that has been taken to solve the housing provision challenges in the town?

8. What do you suggest to solve the residential housing problem in the town?

Part Six: field observation Checklist format the current housing provision, a condition in suluta Town.

- Housing provided for urban residents in the town
- Quality and durability of dwelling housing
- Enough availability of houses facilities
- The physical structure of housing units or materials
- Land delivers for housing construction
- The effects of lack of poor housing provision on urban residents in the town.