

**Addis Ababa University**  
**School of Graduate Studies**

**Factors Influencing Access to Private Homeownership in  
Bahir Dar city, Amhara Region: The Case of Middle-and  
Low-income workers**

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## **Dedication**

This thesis is dedicated to my beloved family, my father Ato Belay Demissie, my mother W/ro Zewdie Atnafu and my sisters (Titisha, Abi and Selamye) as well as my brother Aemiro. You make it easier to fulfill GOD's will for my life.

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## **Acronyms**

AARH-Agency for administration of rental housing

CSA- Central Statistical Authority

FGD- Focus Grouped Discussion

GRHS- Global Report on Human Settlement

NGO- Non Governmental Organizations

OECD- Organization to Economic Co-operation and Development

UK- United Kingdom

UN- United Nations

UNCHD- United Nations Conference on Human Development

UNCHS- United Nations Conference on Human Settlement

US- United States

WHO- World Health Organization

## **Definition of Operational Terms**

**Adequate housing-** is a housing unit which is suitable to the resident considering their livelihood.

**Affordability-** it is the capacity of urban dwellers to own or rent housing with their income.

**Affordable housing-** is a housing unit which is affordable to the people without compromising their expense spending for survival needs.

**Condominium houses-** it is collective residential high rise building with common elements while owning a house individually.

**Household-** it is a group of individuals in a housing unit and sharing common income and expense, advantages and challenges.

**Housing finance-** is the provision of finance or capital and other resources for housing.

**Low cost housing-** is housing made by minimum amount of money and resources with the application of local building materials and appropriate technologies.

**Mortgage-** it is land or property used as collateral for mortgage banks in lending money for housing.

## **Abstract**

The study aimed at identifying factors influencing access to homeownership particularly among middle- and low- income employees of Bahir Dar.

The study employed the survey method, interview, FGD and physical observation to achieve the objective. The survey questionnaire included both open-ended and close-ended types. The analysis was done by using frequency, percentage, Pearson correlation analysis and stepwise multiple regression analysis in order to measure and describe the relationship between dependant variable and explanatory variables.

The multiple regression analysis shows that, the independent variables are affecting tenure structure at the extent of 0.783. Moreover, it also shows that the leading variables that influence access to homeownership among middle- and low- income employees of the city are age and saving. The qualitative analysis of the study reveals that institutional shortcomings surrounding the land delivery process are the major problems that influence access to homeownership. Hence, the municipality should periodically evaluate the overall capacity and process of the land delivery system. Furthermore, short term and long term training should be given to the officials in order to make the land delivery system more effective. Lack of access to credit facilities has been one of the major problems constraining access to homeownership. Therefore, different financial institutions should provide long term housing loan with appropriate criteria and low or reasonable interest rate. Middle-and low-income employees should also improve the habit of saving by using formal and informal methods like equb. Moreover, it is better for the municipality to improve low-cost housing projects in order make low- and middle-income employees homeowners.

# Chapter one

## Introduction

### 1.2 Background of the problem

Now a day, the rate of urbanization is increasing rapidly, especially in developing countries. GRHS (1996) describes that, currently, the world urban population is growing 2.5 times faster than the rural population. The increment of population in urban centers results in a number of problems. Dr. Wanny D'Dow, head of Habitat and Secretary General of UNCHS (habitat II) said that the most pressing global environmental, economic and social issues that human kind will face in the next century will be in cities. The problem of housing is the root of all the problems especially in cities of many developing countries.

According to the report, even though the urban poor are 3 to 10 times better off economically than the rural poor, the problem is getting worse because housing cannot keep up with an exploding urban population, which will double from 2.4 billion in 1995 to 5 billion in 2025. In fact, as Downs (1969) described, rapid natural increase in population plus heavy immigration can lead to an actual housing shortage. This is particularly true in the case of Ethiopia where the urban population has been growing quite rapidly as shown on table1.1.

Year	Urban population			Rural population		
	Male	Female	Total	Male	Female	Total
1994-2001	4.7	3.8	4.3	2.5	3.0	2.6
2005-2007	3.1	3.2	3.2	2.0	1.7	1.8

**Table 1.1 average annual population growth rate of Ethiopia**

Source: computed from data obtained from CSA

As indicated in table 1.1, the urban population of Ethiopia grew at an average annual rate of 4.3% between 1994 and 2001. Whereas, the rural population of Ethiopia grew at an average annual rate of 2.6% between the same years. Between 2005 and 2007, the urban and rural population of Ethiopia grew at an average annual rate of 3.2% and 1.8% respectively. This indicates that an average annual urban growth rate tends to be considerably higher than that of the growth rate of rural areas, which results in a number of problems.

The 2007 population and housing census revealed that only 46.69% of all housing units in Ethiopia were owner occupied. During the census year, this figure may vary considerably from one city to another. Nonetheless, it is well known that, most of the homeowners are people in the middle- and upper-income brackets. Even though the governments of most developing countries tend to encourage low-income people to become homeowners, there are many social, economic, political and cultural factors that hinder employees from becoming homeowners.

## **1.2 Statement of the Problem**

According to UNCHD (1996), the majority of developing countries have been experiencing rapid population growth (because of fairly stable birth and declining death rates) during the last three decades. Growth of urban population has generally been much higher than the overall rates of population growth-due largely to increasing rural-to -urban migration. UNCHD (1996) described that the population growth and the accompanying urbanization process in most developing countries translates in to unprecedented shelter and other public service requirements. The problem of shelter and related service for low -income households are serious in both rural and urban areas. The absolute need for shelter is growing faster in urban areas; more than twice as many units of shelter will be required during the next two decades in the urban areas than in the rural ones (Ibid).

Ethiopia, like many other developing countries, is experiencing high urbanization rate. As stated before, urban centers which have high population density face many problems.

Housing shortage is one of the major critical problems. Now a day, every large city is apt to have hundreds or thousands of people who lack homes of their own. Bahir Dar, as a regional capital, is experiencing rapid rate of urbanization. Hence, its population is growing rapidly. According to the 2007 population and housing census, its population was 180,094 whereas its rural population was only 40,250. It indicates that about 81.73% of the total populations of Bahir Dar were urban dwellers. The problem of housing shortage has become one of the critical problems of the city like many other urban centers of the country. The 1994's Population and Housing Census of Ethiopia Results for Amhara Region revealed that, out of a total 19,808 housing units in Bahir Dar, 8,807 units were owner occupied. Recently, governments have generally sought to encourage homeownership and have, in many cases, provided preferential financing to influence consumer choice. GRHS (2005) described that the problem in many developing and even in some developed countries is not that housing is too expensive, but that income is also too low. Nonetheless, not only income but also socio-cultural as well as political factors may affect the tenure structure of the employees. That's why the researcher seeks to identify the leading factors that influence access to homeownership especially among middle-and low-income employees in Bahir Dar city.

Different studies have been done so far on the magnitude of housing problem such as: the housing condition of public and private sector employees in A.A (Abrham, 2007), meeting housing challenges socio-economic benefits of GTZ low cost housing project in Adama town (Chemereu, 2008), and urban housing availability and quality in regional capitals of Ethiopia (Meskerem, 2000). However, it seems that very little has been done on the factors affecting homeownership in Bahir Dar city. The study, therefore, tries to investigate the main factors that influence access to home ownership especially among middle-and low-income employees in the city.

## **1.3 Objectives of the Study**

### **1.3.1 General Objective**

The main objective of the study is to identify the leading factors that influence access to homeownership particularly among middle- and low-income employees in Bahir Dar city.

### **1.3.2 Specific Objectives**

- To examine the overall conditions and patterns of housing in Bahir Dar.
- To identify the leading legal and institutional factors that influence access to homeownership among middle- and low-income employees.
- To identify the leading demographic and socio-economic factors that influence access to homeownership among the middle- and low-income employees.
- To come out with plausible recommendations that aim at improving the homeownership status of middle- and low- income employees of Bahir Dar.

## **1.4 Research Questions**

The study attempted to find out answers for the following guiding questions.

- What are the overall conditions and patterns of housing tenure in Bahir Dar?
- What are the leading legal and institutional factors that influence access to homeownership among middle- and low-income employees?
- What are the leading demographic and socio-economic factors that influence access to homeownership?
- What important measures need to be taken in order to improve the homeownership status of middle-and low-income employees?

## **1.5 Research Methodology**

### **1.5.1 Study Design**

In the study, the researcher employed a mixed design to collect, analyze and interpret the data. In doing so, both qualitative and quantitative approaches were employed.

In the quantitative aspect, a sample survey method was employed to collect relevant data from the selected sample units. For this purpose, close ended and open-ended questionnaires were employed.

Qualitative method was designed to examine factors affecting home ownership of the town. In this case, interview, observation and FGD were employed to get in-depth information about the existing situation of homeownership of the city.

### **1.5.2 Data Source**

In order to achieve the objectives of the study, both primary and secondary sources were used. The primary data was collected through survey questionnaires and interviews that were distributed to selected employees of public and private organizations. Moreover, the primary data was collected through FGD that was conducted with the concerned officials (Amhara Regional State Bureau of Industry and Urban Development, Bahir Dar Town Public Service Office and Amhara Regional State Housing Project office). The researcher relied on a direct observation method in order to support the whole information through eyewitness.

The secondary data was collected from various published and unpublished documents such as books, journals, thesis and the likes.

### **1.5.3 Sampling Procedures, Techniques and Sample Size**

In order to select and determine the organization to be sampled, purposive sampling was employed. Hence, the data was collected from two income groups (i.e. medium and low). Since, the factors affecting home ownership status varies with income difference of the

employees. In doing so, Felegehiwot Hospital, Bahir Dar Textile Mills and West Gojjam Trade and Industry Office were the sampled institutions.

Due to the time given for the study, a sample size of about 10% of the total population of each organization was taken randomly. Accordingly, a total of 177 employees was selected from three organizations, 127 employees were selected from Textile Mills, 7 employees from Trade and Industry Office and the remaining 43 employees were taken as a sample from Felegehiwot Hospital employees. However, 12 employees of Bahir Dar Textile Mills and 3 employees of Felegehiwot Hospital employees were not returned back the questionnaire.

#### **1.5.4 Data Collection Instruments and Procedures**

In order to gather adequate and reliable data, the researcher used four basic data collection instruments. These were questionnaire, key informant interview, focus group discussion and direct observation.

The questionnaire had both open-ended and close-ended types. For qualitative data, FGD was conducted with the concerned officials (Amhara Regional State Bureau of Industry and Urban Development, Bahir Dar Town Public Service Office and Amhara Regional State Housing Project Office). Key informant interview which was conducted with selected workers, gave the researcher insight about the nature and magnitude of the problem.

The data was collected by the researcher herself and with the help of enumerators. For this purpose, short-term training was given for the enumerators.

Moreover, one supervisor supervised the data collection process of the enumerators.

#### **1.5.5 Method of Data Analysis and Interpretation**

In order to draw sound conclusion based on research findings, collected raw data must be systematically organized, summarized, processed and interpreted using appropriate data analysis techniques.

Hence, the collected data was analyzed using both qualitative and quantitative techniques. The data that was obtained through interview, observation and FGD was analyzed and described qualitatively. Where as data from surveys was analyzed quantitatively by using different techniques like tabulation, graphs, percentages.....etc.

In addition, to measure the effect of socio-economic characteristics of the employees on their homeownership status, multiple regression models was utilized. Hence, the assessment was made on the effect of employees' socio-economic characteristics on their homeownership status.

By comparing the results of responses from subjects and what was observed, the researcher reached to conclusion and made possible recommendations.

### **1.5.6 Model description and variable definition**

#### **1.5.6.1 Model description**

In order to explore the association of housing tenure structure with demographic and socio-economic factors of employees, a stepwise multiple regression analysis was employed.

The essence of model and data set is to establish whether there is sufficient evidence to suggest or indicate a relationship between variables. This relationship is described by a regression model in the following formula.

$$Y = \beta_0 + \beta_1 x_{1j} + \beta_2 x_{2j} + \dots + \beta_p x_{pj} + e_j \text{ where,}$$

$y_i$  = is the value of the  $i_{th}$  case of dependent variable which is housing tenure structure

$\beta_j$  = the value of the  $j_{th}$  coefficients,  $j=0,1,2,\dots,p$

$\beta_0$  = the y-intercept

$x_{ij}$  = is the value of the  $i_{th}$  case of the  $j_{th}$  predictor which are sets of explanatory variables

$e_j$  = is the error in the observed value for the  $i_p$  case.

It is assumed that the equation provides an acceptable approximation of the true relationship between the dependent( $y$ ) and the explanatory variables( $x_1, x_2, x_3, \dots, x_p$ ).

### 1.5.6.2 Variable definition

There are two variables in regression analysis: the dependent and independent variables.

#### 1.5.6.2.1 Dependent variable

The dependent variable is housing tenure structure ( $y_1$ ). It describes the legal status under which people have the right to occupy their accommodation. The most common forms of tenure are:

- Homeownership: this includes homes owned outright and mortgaged
- Renting: this includes social rented housing and private rented housing (Diaz, 2009). Hence, it is dummy variable which takes the value of one for homeowners and 0 for renters.

#### 1.5.6.2.2 Independent variables

The independent variables are socio-economic and demographic characteristics of employees. These are:

**Sex( $x_1$ ):** refers to the sex of employees having a dummy variable i.e male (1) and female (0). In the study it is assumed that, males have a better opportunity to have their own home than females.

**Age( $x_2$ ):** refers to the age of employees. In the study it is hypothesized that older households have higher incomes and they are less mobile than those younger employees. Hence, the probability of homeownership most likely risen with increasing age.

**Place of birth( $x_3$ ):** it refers to the place where employees are born. It is also a dummy variable i.e Bahir Dar (1) and out of Bahir Dar (0). The study assumes that, those employees who born in Bahir Dar have a better opportunity to become homeowners.

**Marital status( $x_4$ ):** refers to the condition of employees being married or unmarried. In the study the sample employees who are divorced, separated, widower/widowed are included in the married category. It takes a value of 1 for married and 0 for unmarried employees. The study assumed that, if an individual is married, he/she has a greater probability of owning a home than singles.

**Educational status( $x_5$ ):** refers to the level of education and skill of employees obtained with in a discipline or profession. It is assumed that, homeownership rate considerably increase as education level increases.

**Experience( $x_6$ ):** refers to the experience of employees have had of working in a particular type of job. It is hypothesized that, those employees who have a better work experience have a greater probability of homeownership.

**Income( $x_7$ ):** refers to the total monthly income of employees. It is assumed that, homeownership rate rises as income rise.

**Saving( $x_8$ ):** it refers to the income not spent, or deferred with in a discipline or profession. The study hypothesized that, as saving rises homeownership also raises.

**Household size( $x_9$ ):** refers to the total number of persons in a given family. It is assumed that, household size has either positive or negative effects on homeownership. It increases a need for homeownership. On the other hand, larger household size may be subject to financial constraints.

## **1.6 Significance of the study**

Due to rapid growth of urban population, shortage of housing is the basic problem particularly in developing countries in which the rate of urbanization is very rapid. Ethiopia, one of the developing countries, suffers from housing problem in different towns like Bahir Dar.

Hence, the study provides more information for policy makers, planners and practitioners about the factors that affect home ownership status of employees particularly in Bahir Dar.

Moreover, it serves as a stepping-stone for those who are interested to extend it for further investigation. In addition, it helps to suggest possible solutions to alleviate the problem.

### **1.7 Organization of the study**

The study is organized in three chapters. The first chapter deals with the introductory part that contains background of the study, statement of the problem, objectives of the study, research questions, research methodology, significance of the study and organization of the study, limitation of the study, and study area description. Chapter two deals with the literature review and the third chapter describes about results and discussion. The last chapter contains conclusion and recommendations. In addition, some tables from survey results are attached as appendices.

### **1.8 Limitation of the study**

The researcher has come across some limitations while conducting this study. One of the main problems faced during the study was shortage of time.

In addition, the majority of respondents were not willing to give accurate and exact information especially about their age and income.

### **1.9 Study Area Description**

In this section, a brief description about the geography, climate, history, socio-economic and demographic profiles of the study area which is obtained from a free online encyclopedia, Wikipedia, is presented.

According to a free on line encyclopedia, Wikipedia, Bahir Dar (Amharic: ‘‘sea shore’’) is a city in North western Ethiopia and the capital of Amhara region. It is one of the

leading tourist destinations in Ethiopia with a variety of attractions nearby Lake Tana and Blue Nile River. The city is distinctly known for its wide avenues lined with palm trees and variety colorful flowers.



Figure 1.1 a view of Bahir Dar with its palm trees

### **1.9.1 Geography**

The city is founded near the place where Blue Nile stems from Lake Tana. Bahir dar is situated on the southern shore of Lake Tana, the source of Blue Nile (or Abay), in what was previously the Gojjam province. The city is located approximately 578 km north-northwest of Addis Ababa, having latitude and longitude of  $11^{\circ}35'30''\text{N}$  and  $37^{\circ}23'\text{E}$  respectively. The elevation of Bahir Dar is 1840 meters above sea level.

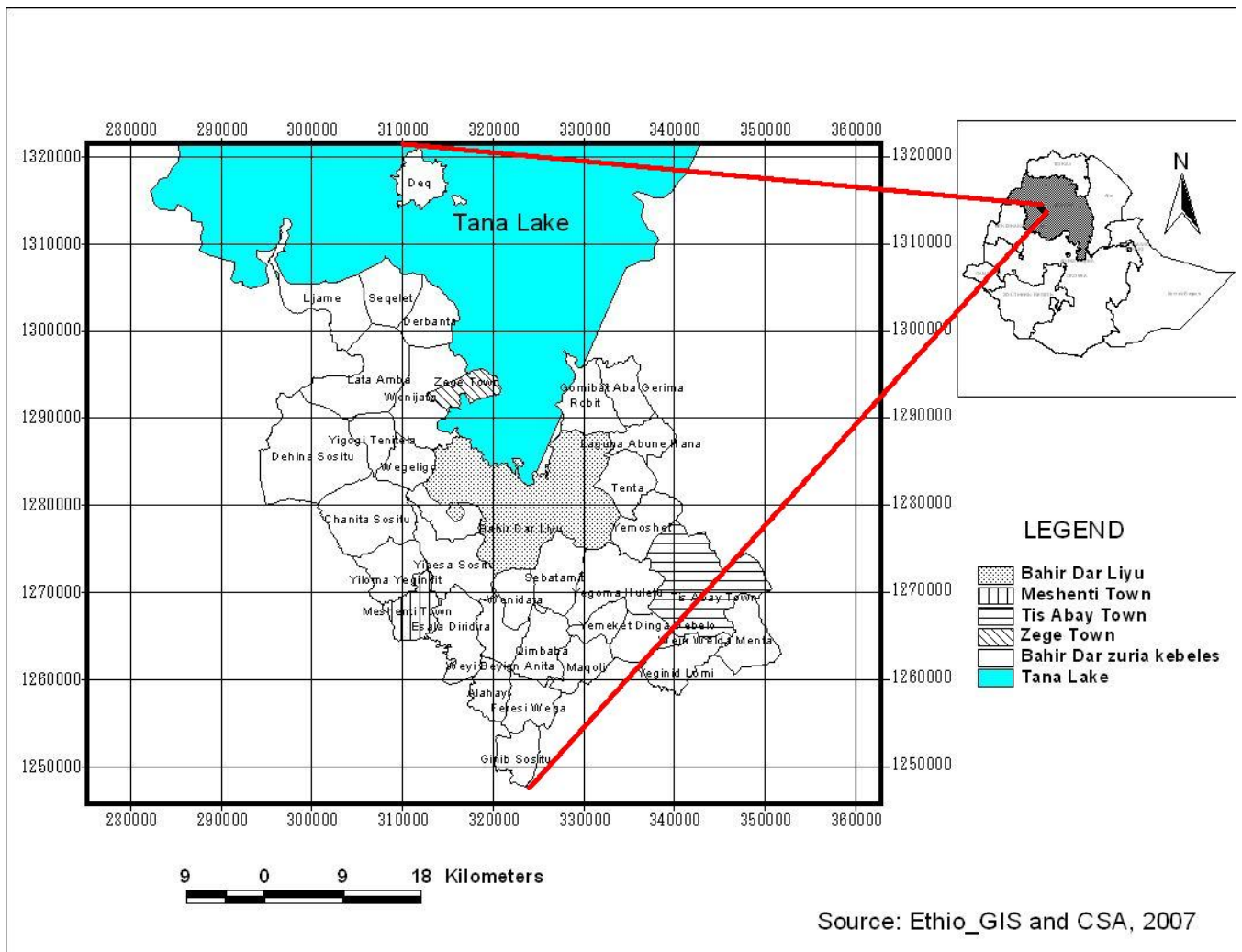


Figure 1.2 the location map of Bahir Dar

## 1.9.2 History

Bahir Dar's origins date to at least the sixteenth or seventeenth century; Pedro Paez is credited with erecting several buildings in this city, one of which is "a solid, two-storey stone structure, with an outside staircase" and can be seen in the compound of the present-day Giyorgis church.

The next mention of Bahir Dar is from the mid-19th century, as the camping spot for the army of Emperor Tewodros II. Here his army suffered from cholera, forcing the Emperor to move his troops to Begemder. Despite the loss of life on the journey, by the time they reached Begemder, the army was free of the illness. Arthur J. Hayes spent a few days in Bahir Dar in early February 1903, which he described as a village surrounded by a marsh of papyrus plants; nearby were "two or three huts" inhabited by the Weyto, an ethnic group which were considered outcasts by the Amhara, yet "proud of their isolation." Hayes also visited the local church, dedicated to Saint George, which was decorated with murals of the saint in combat and returned victoriously.

During the Italian invasion, an Italian column moved from Gondar on 23 April 1937 and, after a rapid march, occupied Bahar Dar. The city was bombed by the Royal Air Force on 21–22 October 1940, and although the action made little damage it was a boost to *Arbegnoch* morale. After months of skirmishing with the British advance, the Italian garrison under the command of Colonel Torelli was recalled to Gondar by General Guglielmo Nasi, and began to evacuate the city on 27 April 1941. One of Emperor Haile Selassie's palaces was located near the city, and the Emperor considered moving the national capital to Bahir Dar.

On 15 June 1961 the Emperor inaugurated the new 226 meter-long highway bridge over the Abay, situated at about 3 km from Bahir Dar. A Polytechnic Institute, built by the Soviet Union at a cost of Ethiopian Birr 2.9 million, opened in 1963, with courses in agricultural mechanics, industrial chemistry, electrical technology, wood-working and processing technology, textile technology, and metal technology. Designed to accommodate 1,000 students, at the start in September the school had 21 Ethiopian

teachers and 250 students of 8th grade level; by 1968 had 619 students in four grades, with 51 teachers of whom 23 were expatriates.

### **1.9.3 Demographics**

Based on the 2007 Census conducted by the Central Statistical Agency of Ethiopia (CSA), this city has a total population of 221,991, an increase of 130.90% over the population recorded in the 1994 census, of whom 108,456 are men and 113,535 women. With an area of 213.43 square kilometers, Bahir Dar has a population density of 1,040.11; 180,174 or 81.16% are urban inhabitants. A total of 63,886 households were counted in this city, which results in an average of 3.47 persons to a household, and 61,250 housing units. As Philip Briggs notes, Bahir Dar "is not only one of the largest towns in Ethiopia, but also one of the fastest growing -- the western outskirts have visibly expanded since the first edition of this guide was published in 1994.

The 1994 national census reported a total population for Bahir Dar of 96,140 in 20,857 households, of whom 45,436 were men and 50,704 women. The three largest ethnic groups reported in Semien Gondar were the Amhara (93.21%), the Tigrayan (3.98%), and the Oromo (0.7%); all other ethnic groups made up 2.11% of the population. Amharic was spoken as a first language by 95.52%, and 2.93% spoke Tigrinya; the remaining 1.55% spoke all other primary languages reported. 87.53% practiced Ethiopian Orthodox Christianity, and 11.47% of the population said they were Muslim.

### **1.9.4 People and Culture**

The city offers a small daily market and a very extensive weekly market. There are some music clubs in the city. The city is home to Bahir Dar University, which projects an enrollment of over 4,400 students in the academic year beginning in October 2006.

The Blue Nile Falls (Tis Issat) are located about 30 km to the south. Nowadays there is not much left, after the construction of a dam.

## **Chapter Two**

### **2. Literature Review**

#### **2.1 The concept and definition of housing**

The definition of housing varies among different scholars and organizations. Wikipedia.org defines a house as;

A home, shelter, building or structure that is a dwelling or place for habitation by human being.

According to wikipedia.org, the term includes many kinds of dwelling ranging from rudimentary huts of nomadic tribes to free standing individual structures. In some contexts, “house” may mean the same as dwelling, residence, home, lodging, accommodation or housing among other meanings.

On the other hand, The World Health Organization of the United Nations has given a more or less comprehensive definition of housing. According to WHO,

Housing is defined as a residential environment which includes in addition to the physical structure that the family uses for shelter, all the necessary services, facility, equipments and devices needed or desired for the physical wellbeing of the family and individual (UN, 1973).

In general, housing is one of the three basic needs of human beings which protect them against heat, cold, heavy rain, high winds and the likes.

Housing is designed to fulfill two kinds of human needs: physical and psychological. Because human beings are complex, the following descriptions can not include all there is to say about physical and psychological needs. Although these needs are described separately, it is important to remember that they often overlap. When you eat hamburgers or take a nap, you are helping to satisfy your physical needs. Physical needs include all the things the body needs to survive: air, sunlight, shelter, sleep and housing. Housing

helps meet physical needs by protecting people from the weather. It also provides a safe and convenient place to eat, sleep and store possessions. Psychological needs are needs related to thoughts and emotions. They include the need for love and belongingness, privacy, fun and relaxation and comfort. Housing provides opportunities for interaction with friends, as well as with family members. Human interaction provides fun and relaxation, mental stimulation and emotional security (Sherwood, 1990).

## **2.2 Housing Quality**

The components of indicators to measure housing quality vary from country to country depending on the overall level of development (Abraham, 2007). According to CSA(1994), the quality of housing unit is determined by its structure, type of construction material used, number of rooms, housing amenities and facilities, tenure structure and occupancy level .

According to Meskerem (2000), the housing quality includes:

1. The quality of the dwelling unit and physical environment
2. The quality and level of provision of municipal services and related infrastructure such as access roads, water and electricity supply, sewerage network
3. The quality of neighborhood and community services and related facilities such as schools, health centers, police, recreation...

The availability of urban services and facilities are important indicators of housing conditions and the quality of life in it. Urban service provision in most third world cities lags far behind the expected. Many large cities in third world countries lack safe drinking water, sewerage system and electricity. The type of construction materials that the dwelling units built is another indicator of housing condition of third world cities (Meskerem, 2000).

The need for shelter is a fundamental human requirement. That means the quality and availability of housing concerns all humanity (Abiot, 2008).

Poor housing is related to social problems. According to Burns, (1977), the social phenomena attributed to poor housing ranges from identifiable physical and mental diseases of occupants to maladjustments of many kinds including adverse psychological effects of intra-family and inter-family crowding, low self esteem of slum dwellers, barriers to economic improvement and to children's education compounding their problems of escaping poverty neighborhood influences on family and social relationships and general social organizations manifest in crime and juvenile delinquency. More concretely, poor housing has been said to be associated with a high incidence of broken families, illegitimacy, and alcoholism and drug abuse.

### **2.3 Housing Finance**

Housing finance is important during housing production because it is necessary to have adequate finance that can enable a householder to purchase land, building materials, labor and other component that lead to housing completion and maintenance.

For the urban poor, there are four potential sources of housing finance. The first is investments by the urban poor themselves, using their own money and informal savings and leading institutions that are immediately available to them. The second is government supported housing finance, either through direct construction or through the provision of subsidized loans. The third source is formal sector commercial financial institutions. The final source is micro finance institutions that have emerged from primarily NGO-led development innovations (UNCHS, 2001).

According to UNCHS (1996), spending for housing, like that for most commodities, increases with household income in every urban society. Moreover, as economic development proceeds, the average fraction of income spent on housing in countries at different levels of economic development, increased from about 5 per cent to about 30 percent, before beginning to decrease a gain. This is to a considerable degree, because households give increased priority to housing as incomes increased and as food becomes less of a problem. This shift of expenditures towards housing creates the possibility of rapid improvement in housing conditions, as economic development proceeds.

The majority of low income households in the third world city do not satisfy conventional criteria for mortgage finance. They are unable to service the debt in terms of the amount and requirements for regular repayments, often do not hold legal title to the property (which cannot be used as collateral), while the small loans sought are less profitable (owing to transaction costs) and therefore unattractive to commercial financial institutions. Accordingly, the bulk of home finance in Africa, Asia and Latin America comes from outside the commercial financial institutions. Households use their own savings, sweat equity, barter arrangements and other informal sources to build homes over an extended period, typically 5-15 years (Pacione, 2005).

Housing finance is both the servant and the master of the housing process. The finance available fits in to the general policy framework in that it enables the construction of housing within the wider supply context current at the time. It also derives the process: reduction in finance affects the scale of supply and allocation among groups supplying and demanding housing (GRHS, 2005).

Projects during the first period of international financing for urban development focused up on self-help, providing a context in which the spare time and energy of low-income people could be devoted to house construction or infrastructure provision. They were broadly of two types: sites-and-services projects for new housing provision and settlement upgrading for bringing squatter and other informal settlements up to an acceptable standard of servicing and public service provision (Ibid).

According to GRHS (2005), housing finance institutions during the 1990s were based on the following system:

- Undeveloped housing finance system: common in Sub-Saharan Africa with weak financial system and commercial banks. Priority should be given to improving urban laws, policies and practices affecting housing. Beginning with clarifying traditional property rights. Public efforts should concentrate on infrastructure development, the supply of serviced land and titling, all within realistic affordability parameters.

- Missing housing finance system in formerly centrally planned economies: one of the many problems in the former Soviet bloc, China and Viet Nam. Coordinated improvements are needed to establish primary mortgage lenders and secondary market facility.
- Fragmented and unstable housing finance: fairly common in Latin America, where housing finance systems are very small with respect to the economy because of macro economic mismanagement and/or external shocks, and inflation has been high.
- Segregated but stable housing finance system: in the Middle East and East Asia, where a seemingly (but actually not) very stable group of institutions provide housing finance with in restrictions and special advantages.
- Sound and integrated housing finance system: some countries in South East Asia have developed sound and well-supervised housing finance system with secondary mortgage markets that manage to reach well down in the income scales.
- Advanced housing system: fund in organization to economic co-operation and development (OECD) countries, these have grown out of the UK building society tradition and the savings and loans societies in the US.

## 2.4 Advantages of Homeownership

According to Sherwood (1990), for those who choose homeownership, the following are some of the important advantages.

**Feeling of belonging:** homeownership provides a feeling of stability and a sense of ‘putting down roots’. Many homeowners develop a sense of community awareness and responsibility. As homeowner’s people may want to participate in local government. They feel they can protect the value of real estate in their area and help determine how their tax money will be spent on public services and educational facilities.

**Independence:** homeowners are free to adapt their home to meet their particular needs. They can redecorate to suit their tastes. They can remodel as the household grows or their needs change. Not only do homeowners benefit from a more liable and attractive home, but improvements can add to home's value.

**Financial security:** Buying a house is an investment. The cost of the house, and money put in to maintaining it, is not lost. Rather, the homeowner is exchanging one form of wealth (cash) for another (real estate). If the house is kept in good condition, and if the economy is sound, its value will probably rise. Chances are, the owner will be able to sell the house for more than he or she paid for it.

Homeowners may use the equity, or value that is invested in the home, as security for a loan. Such home equity loan can be used to make home improvements, to finance education, to make vacation, or to do any number of other things.

Homeowners are usually considered to be good credit risks. Because they make regular monthly payments, they establish a reputation for promptness and reliability. For this reason, many lenders give homeowners high credit ratings (Sherwood, 1990).

## **2.5 Low Cost Housing**

Proper housing is a critical need of every human being. The proper utilization of resources and economic well being greatly depend on the type of accommodation available. However, the individual's income's income constructs the bounds of accommodation possibly; and if it is low, low cost housing is the only option (Abiot, 2008).

Building a house, whether it is costly or cheap, in variably requires finance. This source may be one's own in the case of a resourceful and well-off individual but for people belonging to low-income groups, self financing may be a great problem and extremely difficult credit facilities for helping low-income groups must be provided from government building banks or corporations (Hussain, 1978).

Housing problem as a whole and low cost housing in particular generates job opportunities both to skilled and non skilled workers. Various countries apply divorce mechanisms to use low cost housing technology. Some transform decays, residues and agro production in to construction materials while others use materials like bamboo that grows in most developing countries. Other technologies convert industrial ash and residues in to cement and other construction materials. Using this technology is the best option to replace stone, marble, carbon and other materials, whose prices are currently rising. Thus low cost housing construction is believed to create coordination between various small scale industries so as to absorb significant numbers of job seekers (Abiot, 2008).

Since the majority of population in developing countries are too poor to afford housing from the market the contribution of the state in the provision of low-cost housing is very important with the aim that lower-income groups could take advantage of those houses at a reasonably lower prices (Ibid).

It is obvious that, housing problem is a complex matter that involves different actors. Pleyan (2002) stated that, the three most important actors, each of them having its own approaches and visions, are the state (represented by local government institutions which take decisions on the deployment of resources), urban professionals (who supposedly provide appropriate solutions) and the community, or the people experiencing the problem.

High land prices and construction costs are the main factors for the increment of housing market price. Much research has done in to the development of low cost construction and design technology in order to permit poor people to own house. The trust of initiative has been to recycle various forms of industrial, agricultural and domestic waste to provide new buildings materials that are affordable, sustainable and environmentally friendly (Chakrabarti, 2002).

According to Chakrabarti (2002), these new building materials are not only energy efficient and environmentally friendly, but also cost effective: up to 25-30 percent

chapter than conventional materials and 15-20% more energy efficient to manufacture and use. Some of these materials are listed in the table 2.2.

**Table2.2. Materials Developed for Low Cost Construction**

Waste materials	New building materials
<b>Industrial waste</b>	
• Fly and bottom ash from thermal power plants	Bricks
• Cement factory waste	Asbestos
• Basalt, slate and late-rite stone wastes	Blast furnace slag
• Coal washer y waste	Copper/Ferro-alloy slag
• Gypsum mine waste	Iron railings
• Limestone waste (limestone Sludge )	Low grade aggregates
• Mica scrap	Phospho gypsum
• Red mud/bauxite waste	Steel-making slags
<b>Agricultural waste</b>	Insulation boards, panels, roofing sheets
• Rice husks, jutestalk, bagasse	
<b>Domestic waste</b>	
• Used paper, cartons, plastic bags	Fence posts, roofing sheets

## 2.6 Land Supply, Availability and Allocation

Tenure split is an important policy consideration. Recently, central government funding for new council housing has been reduced and the emphasis has shifted to private householders. This has implications for land allocation, type of housing and density, as it may involve a move ‘down market’ by private house-holders so as to provide for lower income groups who are unable to obtain council housing. Some groups will not be able to

afford this option. Such issues can only be decided within a strategic planning and financial framework which will depend on wider central and local government policy rather than on planning policies for land allocation (Field & Gregor, 1987). According to them, this policy framework varies from period to period and from place to place. This is not to suggest that the solution of this policy issues can provide a framework within which a purely technical methodology can be applied to assessment of land availability and allocation of housing.

Residential land constitutes a greater share of the developed cities than does any other single land-use type. Whereas housing comprises approximately 40% of urban land, the next two largest categories, open-space and industry, only take up 20% and 10% respectively. Housing is therefore an important concept of land use planning and yet planners have only a limited role in influencing housing policy (Ibid).

In many areas, the overall supply of land for housing through the planning system severely constraints the total amount of affordable housing that can be secured. However, where the individual sites of sufficient size do come forward the local authorities are often successful in obtaining an affordable housing contribution from them (Adams, Watkins and White, 2005).

Local authority members are generally supportive of the use of planning policies to secure affordable housing. But they can also act as a brake on the overall release of land for housing and therefore the extent to which suitable sites come forward (Ibid).

According to (GRHS, 2005), the effectiveness of municipal authorities to improve the supply of serviced land and to deliver basic services is clearly a function of both the pace of the development they pace and the country's level of economic development. Generally the advanced and some transitional economies have both the financial and administrative resources to manage development and provide urban residents with services ranging from adequate to good quality. Stable or declining populations have facilitated this task. In contrast, the poorer countries have, for the most part, been unable to keep up with the demand for serviced land or provide adequate basic services to a

growing percentage of their rapidly expanding urban populations. The major obstacles they face are:

- ✓ Inadequate financial resources to pay for the delivery of services to a growing population;
- ✓ Limited or no access to capital resources to finance investments in infrastructure; and
- ✓ Lack of institutional capacity to prepare mid-and long-term development strategies and the capital improvement programs necessary to implement them.

There are a considerable number of NGOs who have been working with housing issues, generally for lower income groups, and who have been draw in to loan financing in order to scale up their activities and/or to provide assistance to residents who have been successful in acquiring land(Ibid).

## **2.7 Factors Affecting Homeownership**

Some researchers describe that, the aspiration of family to purchase a flat and whether they can effectively act on that aspiration is affected by many factors, such as the monthly amount a family can spare for a regular mortgage repayments; the maximum mortgage loan as expressed in terms of loan-to-value ratio which leading institutions will offer; the mortgage loan; the readiness of family to meet the out-of-the pocket down payment; the difference between rental costs and flat prices; the availability of the appropriate types of flat in both primary and secondary markets and overall market demand (Golding, 2008).

On the other hand, Haurin and Rosenthal (2004) categorize the factors in home ownership in to two categories. These are constraints and net benefits. According to them, constraints in homeownership decision include race, gender, and educational attainment. The determinants of net benefits include age, marital status and family size. Some determinants such as net family income and parental homeownership affect both benefits and costs (Ibid).

### 2.7.1 Socio-Economic Factors

**Gender:** - the gender of the head of the household is important in homeownership (Haurin and Rosenthal, 2004). According to them males often have higher incomes than that of females. Therefore, they have a better opportunity to have their own home. Moreover, they are more likely to secure a loan or mortgage. Thus, males are willing to commit to homeownership.

**Age:** - according to Haurin and Rosenthal (2004), age is also a major determinant of homeownership for several reasons. First, older householders have higher incomes. These households have spent more years in the workforce and their income has most likely risen with their level of experience. As a household's level of experience increases, it is less likely to lose its income altogether in the near future. In addition, older households are also less mobile they tend to relocate less often than younger households. Therefore their annual equivalent transaction costs are lower which makes homeownership more attractive (Haurin, Hederschott and Ling, 1987).

**Education Level:** - homeownership rates are considerably higher and gaps smaller as education level increases. Studies also demonstrate that, education levels are positively correlated with other demographic characteristics, which in turn positively associated with higher homeownership probabilities, (Cortes, Herbert and Wilson, 2010). Haurin and Rosenthal (2004) described that an individual with a high level of educational attainment will often have a good job with a generous salary. A higher income provides an individual with the funds to cover the initial costs incurred through home buying. Also an individual with more education often saves more of his income which creates the capital and wealth to secure a loan. Because of this link between education, income and saving an individual's educational attainment will influence his/her homeownership decision (Ibid).

**Marital Status:** - Carliner (2010) describes that the marital status of the head of a household is an important determinant of probability that the household will own

its home. Married couples are interested in “settling down” and are therefore are less mobile than unmarried individuals. Less mobility leads to lower annual-equivalent transaction costs in purchase and likelihood of homeownership. Married couples often forecast a future with children and will want to provide a stable environment to raise them. Therefore if an individual is married, he has a greater probability of owning a home (Haurin and Rosenthal 2004).

**Income:** - the net family income has both a direct and indirect influence on the homeownership decision (Haurin and Rosenthal 2004). According to them as the net income rises within a family, the taste for home ownership also rises. Carliner (2010) described the reasons why rich households own more often than poor ones. First, because the imputed rent from owner occupied homes is exempt from income taxation, owners receive an additional return on this form of property equal to their marginal tax rate times the imputed rent. As incomes rise, marginal tax rates rise, and the advantage of investment in owner occupied housing over other forms of investment also rises. Second, most units small enough and inexpensive enough for poor people to afford, at least in cities, have been in older structures originally built for one family but now housing several zoning & building code restrictions on minimum sizes for single family housing have also forced the poor to live in the apartments, hence to rent.

**Family Size:** - according to Haurin and Rosenthal (2004), family size is the other factor in the homeownership decision. Past studies have found that the presence of child in a household has a significant positive effect on homeownership. An increasing number of children yield a greater need for home ownership. On the other hand, different studies have found that large families may be subject to financial constraints that may prevent homeownership.

**Parental Homeownership:** - whether or not the parents of an individual owned a house is important to the homeownership decision in USA. First of all children often look their parents as financial examples parents tenure choice may condition the child’s homeownership decision (Salv & Ermish, 1997). Second parents who own

homes often have a certain level of wealth which creates intergenerational transfers for their children assets and wealth to pass down to future generations. Individuals with lower level of educational attainment and stagnant or declining real incomes often become homeowners due to better access to inter-generational transfer from their parents (Gyourko & Linneman, 1995). Therefore, if the parents own a home their children also are more likely to won a home.

**Race:** - it is also the factor in homeownership. However, Gyourko and Linneman found that discrimination is not the cause of the impact of race on the investment decision. Rather, the cause is more likely associated with the increasing cost of housing and the inability of black households to meet the wealth constraints (Haurin and Rosenthal, 2004). In recent times, there are increasingly large adverse racial impacts on the probability of owning among the youngest adult households. History suggests that substantial convergence in ownership rates will occur over the life cycle, as among older cohorts minorities tend to own at 90 percent or more of the rate for comparable white by the time both reach their mid-30s. However, more recent data hints that even among middle aged households the trend towards full convergence in ownership propensities weakened initially in the 1970s and has not strengthened since (Gyouko, 1998).

**Location:** the population of a community is negatively correlated with ownership rates. The larger the community, the more time residents must spend going from their homes to jobs and stores. Land prices should reflect these transportation costs. As land prices implicit transportation costs rise, some households will be willing to trade off land and privacy for travel time and will choose to live in multi-family housing instead of single-family housing. Thus, high density is the result of great size. And since individual units in multi-family structures are rarely for sale, there is more ownership in small communities than in large ones; other things remaining equal (Carliner, 2010).

### **2.7.2 Policy Related Factors**

Different researchers have found that there are a number of policy related factors affecting homeownership, such as the maximum mortgage loan, the mortgage interest rate, the repayment period for the mortgage loan, and the likes.

Planners tend to influence policy at a strategic level through the development of settlement policies, and more specifically, through the allocation of land for new dwelling. The allocation of residential land has important ramifications for it is closely linked to employment location, has implications for the provision of transport, and imposes demands on recreational and community facilities (Field and Gregor, 1987). Therefore governments policies especially which are related to land allocation and loan may influence the homeownership status of the people.

Installation of services in the form of roads, water supply, sewerage, drainage and other utilities are part of the components for suitable housing. The capital required to install these services is high, and the further these services have to be carried the more expensive they become to install because of the long distance.

## Chapter Three

### Data Analysis and Interpretation

#### 3.1 Demographic and socio-economic features of employees

This section contains the demographic and socio-economic features of employees, which include the age and sex composition, marital status, income, expenditure and saving of employees as well as family size and place of birth.

**Table 3.1 Sex, age and marital status of respondents**

Items		Respondents' institution						Total	
		Trade and industry		Hospital		Textile			
		Freq.	%	Freq.	%	Freq.	%	Freq.	%
sex	a. Male	5	28.6	19	47.5	85	73.9	109	67.3
	b. female	2	71.4	21	52.5	30	26.1	53	32.7
Age	a. 20-40 years	6	85.7	26	65.0	84	73.0	116	71.6
	b. 40-60 years	1	14.3	14	35.0	31	27.0	46	28.4
	c. >65 years	0	0	0	0	0	0	0	0
marital status	a. Never married	5	71.4	26	65.0	68	59.1	99	61.1
	b. married	2	28.6	14	35.0	47	40.9	63	38.9

#### Age and sex composition

The result of the survey in the three institutions indicate that, out of 162 sampled employees, 67.3 percent are males while the rest 32.7 percent are females. Regarding the sex composition of trade and industry employees, 71.4 percent are males and 28.6 percent are females. The sex composition of Felegehiwot hospital employees reveals that, 47.5 and 52.5 percent of sampled employees are male and female respectively, where as the proportion of male and female sampled employees in Bahir Dar Textile Mills is 73.9 and 26.1 percent respectively.

According to Erik Erikson stage of human development, first enumerated in childhood and society (1950), a young adult is generally a person between the ages of 20 and 40, whereas , a person in the middle adulthood stage (middle age) is between the ages of 40

and 65. In maturity, a person is 65 and /or older. Accordingly, data from the sample institutions revealed that 71.6 percent are young adults while 28.4 percent are middle aged. This indicates that, the majority (71.6 percent) of sampled employees are young adults. But there is no any employee above the ages of 65 years. Furthermore, the age structure of sampled employees in West Gojjam Trade and Industry office reveals that 85.7 percent and 14.3 percent are young adults and middle aged respectively, while the proportion of young adults and middle aged employees in Felegehiwot hospital is 65.0 and 35.0 percent respectively. On the other hand, the percentage of young adult and middle aged employees of Bahir Dar Textile Mills are 73.0 and 27.0 percent respectively. This indicates that the proportion of young adults is greater in West Gojjam Trade and Industry than the two sampled institutions (Felegehiwot Hospital and Bahir Dar Textile Mills).

### **Marital status**

Regarding the marital status of employees in the sampled institutions, 61.1 percent have never married where as 38.9 percent are married. Furthermore the percentage of married employees in West Gojjam Trade and Industry office, Felegehiwot Hospital and Bahir Dar Textile Mills are 28.6, 35.0 and 40.9 percent respectively whereas, 71.4, 65.0 and 59.1 percent of West Gojjam Trade and Industry, Bahir Dar Textile and Felegehiwot Hospital employees respectively have never married.

### Educational status

Regarding educational status of studied employees, 56.8 percent have educational level which ranges 10+1-10+3, 25.9 percent have BA/BSC and the remaining 2.5 percent can only read and write, 1.2 percent have educational level which ranges from grade 1 to grade 6, 1.9 percent grade 7-8 and 11.7 percent between grade 9-10(table 3.2).

**Table 3.2 Educational status of respondents**

Educational status	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. Read and write	0	0	0	0	4	3.5	4	2.5
b. Grade 1-6	0	0	1	2.5	1	0.9	2	1.2
c. Grade 7-8	0	0	0	0	3	2.6	3	1.9
d. Grade 9-10	0	0	1	2.5	18	15.7	19	11.7
e. 10+1-10+3	2	28.6	24	60	66	57.4	92	56.8
f. BA/BSC	5	71.4	14	0	23	20	42	25.9
g. MA/MSc& above	0	0	0	30	0	0	0	0

More than half of the sampled employees in Felegehiwot Hospital and Bahir Dar Textile Mills have educational level between 10+1-10+3. However, 71.4 percent of the sampled employees in West Gojjam Trade and Industry office have educational status of BA/BSC. From the sampled employees, there is no any employee who has educational level of MA/MSc and above.

## Work Experience

Data from the three sampled institution indicate that the majority (63.6 percent) of the sampled employees have work experience which ranges from 1 to 10 years. Whereas, 11.7, 17.9 and 6.8 percent have work experience that ranges from 11-20 years, 21-30years and >31 years respectively.

**Table 3.3 Work experience of respondents**

Work experience	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. 1-10 years	5	71.4	27	67.5	71	61.7	103	63.6
b. 11-20 years	1	14.3	4	10.0	14	12.2	19	11.7
c. 21-30 years	1	14.3	7	17.5	21	18.3	29	17.9
d. >31 years	0	0	2	5.0	9	7.8	11	6.8

The proportion of employees in Bahir Dar Textile Mills who have 1-10 years work experience is greater than that of West Gojjam Trade and Industry and Felegehiwot Hospital employees. In West Gojjam Trade and Industry office, there is no any worker who has work experience above 31 years, whereas, the proportion of Bahir Dar Textile Mills who have work experience of >31 years is greater than that of Felegehiwot Hospital.

## Place of birth

The rapid rate of migration is one of the root causes for the prevailing housing shortages. In relation to this, 46.3 percent of employees in the three institutions are born in Bahir Dar where as the remaining are in migrants. Of these migrants, 32.1 and 21.6 percent came from other urban area and rural area respectively. The migrants came to Bahir Dar for different reasons. 31.0 percent came to look a job, 27.5 percent for education, and

39.0 percent due to transfer of job, others 1.1 percent and 1.1 percent came to Bahir Dar to look for a better infrastructure and because of other reasons respectively. Hence, it is possible to conclude that the greater proportion of in migrants came to Bahir Dar due to job transfer (annex I, table 1).

Of the employees of West Gojjam Trade and Industry office 14 percent are born in Bahir Dar while 57.1 are born in other urban areas. The proportions of employees in Felegehiwot Hospital who are born in Bahir Dar are 27.5 percent. On the other hand, 54.8 percent of employees in Bahir Dar Textile Mills are born in Bahir Dar. It indicated that, larger proportions of employees in Bahir Dar Textile Mills are born in Bahir Dar (annex I, table 1).

Concerning the number of years that sample employees who lived in Bahir Dar, (34.6 percent lived from 21-30 years in the city. While 30.9, 3.7, 14.2 and 7.4 percent of the sample employees lived for years that range from 1-10, <1 year, 31-40 and >40 years respectively. On the other hand, 71.4 percent of West Gojjam Trade and Industry employees lived in Bahir Dar for years that range from 1-10 whereas, 28.6 percent from 21-30. 47 and 32 percent of employees of Felegehiwot Hospital lived in Bahir Dar for years that range from 1-10 and 21-30 years respectively. On the other hand, the greatest proportions (35.7 percent) of employees of Bahir Dar Textile Mills lived in Bahir Dar years that range from 21 to 30 years (annex I, table 1).

### **Household size**

According to the data obtained from the sampled employees, 40.7 percent of employees have a household member from 2-4, 29.6 percent < 2 members. While 21.0, 8.0 and 0.6 percent of employees have a household member from 5-7, 8-10 and >11 respectively.

**Table 3.4 Household size of respondents**

Household size	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. <2	1	14.3	16	40.0	31	27.0	48	29.6
b. 2-4	1	14.3	18	45.0	47	40.9	66	40.7
c. 5-7	4	57.1	6	15.0	24	20.9	34	21.0
d. 8-10	1	14.3	0	0	12	10.4	13	8.0
e. >11	0	0	0	0	1	0.9	1	0.6

In West Gojjam Trade and Industry office, the majority (57.1 percent) of employees have a household member that ranges from 5-7 members whereas 45.0 and 40.9 percent of Felegehiwot Hospital and Bahir Dar Textile employees respectively have a household member that ranges from 2-4 members respectively. The mean household size of sampled employees is 4.3; whereas the maximum and the minimum household size of employees are 1 and 13 members respectively.

### **Monthly income, Expenditure and Saving**

Income is the money received for a work done or for investments during a given period of time. Income of employees is one of the factors that are supposed to have a significant effect on their housing quality as well as tenure structure. The income data of the sampled employees is calculated from the combined source of family's income, their wife's/husband's (if any) and other income (if any).

**Table 3.5 Monthly income categories of employees**

Income range	Respondent's institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
<400	0	0	5	12.5	21	18.3	26	16.0
401-800	1	14.3	4	10.0	36	31.3	41	25.3
801-1200	1	14.3	9	22.5	20	17.4	30	18.5
1201-1600	0	0	3	7.5	10	8.7	13	8.0
1601-2000	2	28.6	10	25.0	12	10.4	24	14.8
2001-2400	0	0	4	10.0	4	3.5	8	4.9
>2401	3	42.9	5	12.5	12	10.4	20	12.3

According to table 3.5, more than two-third of employees earn a monthly income of birr 1600 or less while about 60 percent of employees earn birr 1200 or less. Furthermore, about 41 percent of sample employees earn a monthly income of birr 800 or less.

Comparing the income of employees in the sampled institutions 14.3, 10.0 and 31.3 percent of employees get monthly income between 401-800 birr in West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile mills respectively. Table 3.5 also indicates that, of the three sample institutions, the highest proportion (42.9 percent) of West Gojjam Trade and Industry office, 12.5 percent of Felegehiwot Hospital and 10.4 percent of Bahir Dar Textile Mills employees earn a monthly income of  $\geq 2401$  birr. According to the response of West Gojjam Trade and Industry office employees, there is no any employee who earn monthly income <400 birr. The assessment of monthly income of the three institutions' employees also indicates that, the majority of employees do not have additional source of income. Moreover, the majority of male employees' wives in the three sampled institutions do not have their own income. As a result, most of the sampled employees are low- and middle-income workers, which may represent the low- and middle-income communities of Bahir Dar. Moreover, according to the response of employees, there is a great gap between their income and expenditure. It is to mean that, the employees' expenditure is sometimes greater than their income.

**Table3.6 Monthly expenditure category of respondents**

Expenditure range	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. <400	0	0	5	12.5	24	20.9	29	17.9
b. 401-800	2	28.6	5	12.5	45	39.1	52	32.1
c. 801-1200	1	14.3	12	30.0	27	23.5	40	24.7
d. 1201-1600	1	14.3	6	15.0	9	7.8	16	9.9
e. 1601-2000	1	14.3	6	15.0	3	2.6	10	6.2
f. 2001-2400	0	0	3	7.5	1	0.9	4	2.5
g. >2401	2	28.6	3	7.5	6	5.2	11	6.8

As indicated in table 3.6, the monthly expenditure of 74.7 percent of employees in the three institutions is below birr 1200 while the monthly expenditure of 50 percent of employees is below birr 800. On the other hand, 42.9 percent employees of West Gojjam Trade and Industry office, 55.0 percent employees of Felegehiwot Hosptal and 83.5 percent of Bahir Dar Textile Mills employees expend  $\leq$  1200 birr.

**Table 3.7 the saving habit of employees**

Saving habit	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. yes	2	28.6	13	32.5	49	42.6	64	39.5
b. no	5	71.4	27	67.5	66	57.4	98	60.5

For families to achieve self-sufficiency and obtain long-term economic success, it is critical that they increase their level of savings. Those without savings or assets to leverage can face severe hardships during tight economic times triggered by job loss, divorce, or illness. Asset –poor families often do not have any retirement savings, nor can they witness increased financial status through homeownership (Hoffman,2006).As can

be seen in table 3.7, the largest proportion (60.5 percent) of employees in all sampled institutions do not have saving habit. Comparing the saving habit of the sampled institutions, relatively better proportion (42.6 percent) of employees has saving habit in Bahir Dar Textile Mills, while, 28.6 and 32.5 percent of employees in West Gojjam Trade and Industry and Felegehiwot Hospital respectively have saving habit.

**Table 3.8 Saving category of sampled employees**

Saving category	Respondents' institution						Total	
	Trade and industry		Hospital		Textile		Freq.	%
	Freq.	%	Freq.	%	Freq.	%		
a. <200	2	100	10	76.9	29	59.2	41	64.0
b. 201-400	0	0	2	15.4	12	24.5	14	21.9
c. 401-600	0	0	1	7.7	1	2.0	2	3.1
d. 601-800	0	0	0	0	2	4.0	2	3.1
e. 801-1000	0	0	0	0	2	4.0	2	3.1
f. 1201-1400	0	0	0	0	1	2.0	1	1.6
g. 1801-2000	0	0	0	0	1	2.0	1	1.6
h. 2201-2400	0	0	0	0	1	2.0	1	1.6
i. >2401	0	0	0	0	0	0	0	0

The survey data also shows that, 64.0 percent of employees in the sampled institutions save <200 birr month. Of these, 100 percent of West Gojjam Trade and Industry office employees who have saving habit, save <200 birr per month, whereas, 76.9 and 59.2 percent of Felegehiwot Hospital and Bahir Dar Textile Mills employees respectively save <200 birr per month (table 3.8).

### **3.2 Housing Conditions of employees**

#### **3.2.1. Physical structure and type of construction material**

The housing condition of employees indicates their living standard and economic status. The following three tables indicate that the percentage distribution of dwelling units of employees by type of construction material used.

### 3.2.1.1 Type of construction material

#### Wall

Of the total sampled employees in the three institutions, 74.7 percent live in a housing unit made of wood and mud, 20.4 percent of blocket where as 0.6, 1.9, and 0.6 percent of employees live in a housing unit which is made of bricks and stones, stone and cement and other materials respectively (table 3.9).

**Table 3.9 the type wall of the of respondents' housing unit**

Wall of the house	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. wood and mud	4	57.1	24	60.0	93	80.9	121	74.7
b. stone and mud	0	0	1	2.5	2	1.7	3	1.9
c. blocket	3	42.9	13	32.5	17	14.8	33	20.4
d.bricks and cement	0	0	0	0	1	0.9	1	0.6
e stone and cement	0	0	2	5.0	1	0.9	3	1.9
f. other	0	0	0	0	1	0.9	1	0.6

As it is observed in table 3.9, the largest proportion (57.1, 60.0 and 80.9 percent of employees in West Gojjam Trade and Industry office, Felegehiwot Hospital and Bahir Dar Textile Mills respectively) live in housing unit that are made of wood and mud.

#### Floor

Out of the total respondents in the three institutions, the floor of 52.2 percent of employees' housing unit floor is made of cement, while 4.9 percent, 6.2 percent, 1.2

percent, 34.6 percent and 0.6 percent of employees replied that their floor is made wood, mud, bricks, stone and other materials respectively.

**Table 3.10 the type of floor of the respondents' housing unit**

Floor of the house	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. wood	1	14.3	0	0	7	6.1	8	4.9
b. mud	1	14.3	5	12.5	4	3.5	10	6.2
c. cement	3	42.9	13	32.5	69	60.0	85	52.5
d. bricks	0	0	0	0	2	1.7	2	1.2
e. stone	2	28.6	22	55.0	32	27.8	56	34.6
f. other	0	0	0	0	1	0.9	1	0.6

The majority of respondents (42.9 percent) in west Gojjam trade and industry office and 60.0 percent in Bahir Dar textile mills replied that the floor of their housing unit is made up of Cement, whereas the largest proportion of employees in Felegehiwot hospital replied that the floor of their housing unit is made up of stone.

### **Ceiling type**

The result of the survey indicates that 32.1 percent of the sampled employees in the three institutions live in housing units that do not have ceiling.

**Table 3.11 the ceiling type of housing unit of respondents**

Ceiling type	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. no ceiling	1	14.3	11	27.5	40	34.8	52	32.1
b. chip wood	3	42.9	7	17.5	21	18.3	31	19.1
c. wood	0	0	0	0	1	0.9	1	0.6
d. plastic	2	28.6	6	15.0	33	28.7	41	25.3
e. abudjudid	1	14.3	16	40.0	20	17.4	37	22.8

If we compare the ceiling type of employees of the three institutions, 14.3, 27.5 and 34.8 percent of employees in West Gojjam Trade and Industry office, Felegehiwot Hospital and Bahir Dar Textile Mills respectively, live in a housing unit which doesn't have any ceiling type. Hence, it's possible to conclude that the majority of employees in Bahir Dar Textile Mills live in a housing unit which has no ceiling. Where as, the majority of employees in West Gojjam Trade and Industry office and Felegehiwot Hospital live in a housing unit which has chip wood and abudjudid ceiling type respectively.

### 3.2.1.2 Housing structure and type

The structure and type of the housing unit can be an indicator of the physical quality of the dwelling unit. The housing type and structure of the sampled employees is displayed in the table 3.12.

**Table 3.12 housing structure of employees**

Housing structure	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. attached	2	28.6	11	27.5	56	48.7	69	42.6
b. detached	5	71.4	29	72.5	59	51.3	93	57.4

As indicated in table 3.12, 57.4 and 42.6 percent of employees live in the housing unit which is detached and attached respectively. 71.4, 72.5 and 51.3 percent of employees in West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile Mills respectively live in the housing unit which is detached. While 28.6, 27.5 and 48.7 percent of employees in West Gojjam Trade and Industry Felegehiwot Hospital and Bahir Dar Textile Mills respectively live in the attached housing unit.

**Table 3.13 the number of rooms of a housing unit of employees**

Number of rooms	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. one	3	42.9	13	32.5	54	47.0	70	43.2
b. two	1	14.3	11	27.5	15	13.0	27	16.7
c. three	1	14.3	6	15.0	18	15.7	25	15.4
d. four	1	14.3	8	20.0	13	11.3	22	13.6
e. five	0	0	1	2.5	6	5.2	7	4.3
f. six	1	14.3	0	0	4	3.5	5	3.1
g. seven	0	0	0	0	1	0.9	1	0.6
h. eight	0	0	0	0	2	1.7	2	1.2
i. nine	0	0	0	0	1	0.9	1	0.6
j. ten	0	0	1	2.5	0	0	1	0.6
k. twelve	0	0	0	0	1	0.9	1	0.6

Regarding the number of rooms, 43.2 percent of employees in three institutions live in one room. According to the response of employees, 42.9 percent of employees of West Gojjam Trade and Industry office, 32.5 percent of employees in Felegehiwot Hospital, 47.0 percent live Bahir Dar Textile Mills employees live in a housing unit which has only one room. Hence, it is possible to conclude that the majority of respondents live in the housing unit which has only one room (Table 3.13).

**Table 3.14 Housing type of respondents**

Housing type	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. villa	1	14.3	9	22.5	23	33	33	20.4
b. service quarter	5	71.4	30	75.0	84	73.0	119	73.5
c. condominium	1	14.3	1	2.5	8	7.0	10	6.2

Concerning the respondents' housing type 73.5 percent of employees live in service quarter. Whereas, 20.4 and 6.2 percent of employees in the three sampled institutions live in Villa and Condominium housing type respectively. As depicted in table 3.14, 71.4, 75.0 and 73.0 percent of employees in West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile Mills respectively live in service quarter. This implies that the majority of employees in all institutions live in servant quarter. According to the employees who live in service quarter, due to lack of income and shortage of land to construct villa type of housing unit, they prefer living in service quarter.

### 3.2.2 Time of construction

**Table 3.15 time of construction of employees' housing unit**

Time of construction	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. pre 1955	0	0	0	0	3	2.6	3	1.9
b. 1955-1966	0	0	2	5.0	11	9.6	13	8.0
c. 1967-1977	2	28.6	9	22.5	14	12.2	25	15.4
d. 1978-1988	1	14.3	16	40.0	37	32.2	54	33.3
e. 1989-1999	2	28.6	11	27.5	34	29.6	47	29.0
f. 2000 and after	2	28.6	2	5.0	16	13.9	20	12.3

As can be seen in table 3.15, the highest proportion (33.3 percent) of employees housing unit in the sampled institutions is constructed between the periods of 1978-1988 e.c, whereas, 12.3, 29.0, 15.4, 8.0 and 1.9 percent of employees' housing unit is built after 2000 e.c, between the periods 1989-1999 e.c, 1967-1977 e.c, 1955-1966 e.c and before 1955 e.c respectively. According to the response of West Gojjam Trade and Industry employees, 28.6, 14.3, 28.6, 28.6 percent of employees' housing unit is constructed in the period between 1967-1977 e.c, 1978-1988 e.c, 1989-1999 e.c, 2000 e.c and recent years respectively. Those Felegehiwot Hospital employees' housing unit which is built between the periods of 1967-1977 e.c, 1978-1988 e.c, 1989-1999 e.c and 2000 e.c and recent years are 22.5, 40.0, 27.5 and 5.0 percent respectively. On the other hand, 32.2, 29.6 and 13.9

percent of Bahir Dar Textile Mills employees housing unit is built between the periods 1978-1988 e.c, 1989-1999, e.c and 2000 e.c and recent years respectively. It indicates that, the rate of housing production is almost decreased in 2000 e.c and after. This is because of the government policy that made them to stop supplying residential land.

### 3.2.3. Basic housing amenities and facilities

The availability of housing amenities and facilities is one of the indicators of housing quality.

**Table 3.16 Source of drinking water**

Source of drinking water	Respondents' institution						Total	
	Trade and industry		Hospital		Textile		Freq.	%
	Freq.	%	Freq.	%	Freq.	%		
a. private tap	5	71.4	21	52.5	57	49.6	83	51.2
b. shared tap	2	28.6	17	42.5	48	41.7	67	41.4
c. public tap	0	0	1	2.5	4	3.5	5	3.1
d. other	0	0	1	2.5	6	5.2	7	4.3

The availability of pure drinking water is one of the indicators of housing quality. Concerning the source of drinking water, 51.2 percent of employees in the three institutions have their own tap water, 41.4 percent used shared tap, and 3.1 percent used public tap as a source of drinking water. It indicates that the majority (51.2) percent of employees in the sampled institutions use private tap as a source of drinking water. The proportion of employees that have their own tap in West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile Mills are 71.4, 52.5, and 49.6 percent respectively. As indicated in table 3.16, 28.6, 42.5, and 41.7 percent of employees in West Gojjam Trade and Industry office, Felegehiwot Hospital and Bahir Dar Textile Mills respectively share tap water with other households.

**Table 3.17 Source of light**

Source of light	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. electricity (meter private)	4	57.1	19	47.5	61	53.0	84	51.9
b. electricity (meter shared)	3	42.9	21	52.5	51	44.3	75	46.3
c. other	0	0	0	0	3	2.6	3	1.9

Regarding the source of light, 51.9 percent of respondents in the three institutions use private electric meter where as 46.3 percent of employees share electric meter with their neighbors. As indicated in table 3.17, 57.1, 47.5, and 53.0 percent of respondents own private electric meter in West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile Mills respectively. On the other hand, 42.9, 52.5 and 44.3 percent of respondents in West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile Mills respectively use shared electric meter as a source of light. It indicates that relatively the highest proportion of employees in the sampled institutions own private electric meter.

**Table 3.18 Kitchen type of respondents**

Kitchen type	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. traditional (private)	2	28.6	20	50.0	50	72	72	44.4
b. traditional (shared)	3	42.9	12	30.0	26	41	41	25.5
c. modern (private)	1	14.3	4	10.0	17	22	22	13.6
d. modern (shared)	0	0	0	0	3	3	3	1.9
e. no kitchen	1	14.3	4	10.0	24	24	24	14.8

Table 3.18 also reveals that, access and type of kitchen in the sample institutions' employees. Accordingly, 14.8 percent of the sampled employees do not have kitchen facility. While the highest proportion (44.4 percent) have traditional (private) kitchen type. 25.3, 13.6 and 1.9 percent use traditional (shared), modern (private) and modern (shared) kitchen facility respectively.

When we compare the kitchen facility of the three targeted institutions' employees, the percentage distribution of Bahir Dar Textile Mills' employees who lacked kitchen facility is higher than the two sampled institutions' employees' i.e West Gojjam Trade and Industry and Felegehiwot Hospital. On the other hand, the higher proportion of employees of West Gojjam Trade and Industry office has traditional (shared) kitchen type than the two sampled institutions' employees.

The availability of toilet facility is another important factor in assessing housing quality. This is because of the fact that adequate toilet facilities ensure proper human waste disposal and prevent the occurrence and spread of transmitted diseases (Abraham, 2007).

**Table 3.19 Toilet facility of respondents**

Toilet facility	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. private	3	42.9	19	47.5	59	51.3	81	50.0
b. shared	4	57.1	21	52.5	49	42.6	74	45.7
c. public	0	0	0	0	1	0.9	1	0.6
d. no toilet	0	0	0	0	6	5.2	6	3.7

According to the respondents, 50.0 percent of all sampled employees have private toilet facility, 45.1 percent share toilet with their neighborhoods, 1.2 percent use public toilet facility and 3.7 percent of employees do not have any toilet facility. Table 3.19 shows that the difference in percentage distribution of employees in each sample institutions that use private and shared toilet facility are not as such wide. However, from employees of

the three sample institutions' employees only the employees of Bahir Dar Textile Mills do not have toilet facility. The two sample institutions' employees use private and shared toilet facility. Accordingly, 42.9 and 57.1 percent of employees in West Gojjam Trade and Industry office use private and public toilet facility respectively while, 47.5 and 52.5 percent Felegehiwot Hospital employees use private and shared toilet respectively.

**Table 3.20 Bathing facility**

Bathing type	Respondents' institution						Total	
	Trade and industry		Hospital		Textile		Freq.	%
	Freq.	%	Freq.	%	Freq	%		
a. private shower	2	28.6	9	22.5	24	20.9	35	21.6
b. shared shower	2	28.6	9	22.5	14	12.2	25	15.4
c. shared bath tub	0	0	0	0	2	1.7	2	1.2
d. private bath tub	0	0	0	0	0	0	0	0
e. no bathing room	3	42.8	33	75	75	65.2	100	61.7

Even though bathing facility is an important housing facility in a given dwelling, a considerable amount of employees (61.7 percent) lack this facility. 21.6, 15.4 and 1.2 percent of employees in the sample institutions have private shower, shared shower and shared bath tub respectively. The proportions of employees that do not have bathing room are 42.9, 55.0 and 65.2 percent in West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile Mills respectively. This indicates that the proportions of employees in Bahir Dar Textile Mills who lack bathing facility are greater than the two sampled institutions (table 20).

### **Solid waste disposal system**

According to data obtained from the three institutions, 60.5 percent of employees are served by the municipal solid waste disposal system. When we compare the sampled institutions the proportion of West Gojjam Trade and Industry employees that use municipal service as solid waste disposal system is greater than that of the two sampled institutions i.e Felegehiwot Hospital and Bahir Dar Textile Mills. On the other hand, 24.7, 2.5, 11.7 and 0.6 percent of employees of the three institutions through away their solid wastes by burning, by using open space, pit and other methods respectively (annex I, Table 2).

### **Sewerage disposal system**

As indicated appendix I, table 2, 43.8 percent of the sampled employees do not have any type of sewerage disposal system. While 11.7, 37.0 and 7.4 percent of employees use closed sewerage disposal system, open ditch and other sewerage disposal system respectively. In comparison, 42.9 percent of employees of West Gojjam Trade and Industry office, 47.5 percent of employees of Felegehiwot Hospital and 42.6 percent of employees of Bahir Dar Textile Mills do not have any type of sewerage disposal system (annex I, Table 2). Hence, it can be concluded that, the highest proportion of employees live with poor housing amenities and facilities.

### **3.3 Tenure structure of respondents**

Data from the three institutions reveal that, only 34.0 percent of employees have their own house. While the highest proportion of employees (45.7 percent) are renters from private owner, 8.0 percent are kebele rentals, and 3.0 percent access housing unit from their institutions. The proportion of homeowners is slightly higher in Felegehiwot Hospital than the two sampled institutions. Because the proportion of Felegehiwot hospital's middle-aged employees is higher than the two institutions. Hence, they could be financially matured with increasing age.

**Table 3.21 tenure structure of employees**

Type of tenure	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
a. owner	2	28.6	15	37.5	38	33.0	55	34.0
b. kebele rental	0	0	1	2.5	12	10.4	13	8.0
c. family's property	0	0	2	5.0	13	11.3	15	9.3
d. rented from private owner	4	71.4	22	55.0	47	40.9	74	45.7
f. other*	0	0	0	0	5	4.3	5	3.0

\* Provision of housing unit from their institution

Of the total sample institutions' employees, 9.3 percent live in their relative's housing unit. Of these, 60.0 percent of employees' relatives live with the employees while 40 percent of respondents' who live in their relatives housing unit do not live with them (annex I, table 3).

As indicate in table 3.21, 4.3 percent of employees of Bahir Dar Textile Mills have access to house from their institution. The survey data also shows that, of the homeowners in the three institutions, 45.5 percent have tenant where as 54.5 percent of homeowners do not have tenant. According to the homeowners of West Gojjam Trade and Industry office, 50 percent of them have tenant. However in the case of Felegehiwot Hospital homeowner employees, only 20 percent have tenant where as 53.3 percent of homeowners in Bahir Dar Textile Mills have tenant (annex I, table 4). This implies that the proportion of Bahir Dar Textile Mills' homeowner employees who have tenant is higher than those two institutions' employees (Felegehiwot Hospital and West Gojjam Trade and Industry office).

Data from the three sampled institutions reveal that 18.2 percent of homeowners do not have municipal permit but the remaining 81.8 percent have municipal permit to construct their home. Concerning the sampled employees of West Gojjam Trade Industry office, 100 percent of homeowners have municipal permit. Whereas 86.7 percent of

homeowners in Felegehiwot Hospital have municipal permit and the rest 13.3 percent do not have permission to construct their own home. Regarding the response of Bahir Dar Textile Mills' employees, 78.9 percent of homeowners have municipal permit where as the remaining 18.2 percent do not have municipal permit to construct their home (annex I, table 5). From this one can conclude that the municipality land delivery system is not improved and could not address the interest of middle- and low- income employees.

### 3.4 Characteristics of homeowners

The percentage distribution of employees by their tenure status was discussed in the previous section. In this section, an attempt is made to investigate the relationship between tenure structure of employees and their characteristics such as sex, age, marital status, educational status and work experience. For the suitability of data analysis, the sampled employees are categorized in to homeowners and non-owners.

#### 3.4.1 Sex and tenure structure

In order to examine the relationship between sex and tenure structure of employees, percentage distribution of tenure structure of employees and their institution by their sex is presented in a cross tabulation.

**Table 3.22 the percentage distribution of tenure structure of employees and their institution by their sex composition**

Sex	Tenure structure of employees			
	Non-owners		Homeowners	
	Freq.	%	Freq.	%
Female				
• Trade and industry	2	100	0	0
• Hospital	21	100	0	0
• Textile	28	93.3	2	6.7
• Total				
Male				
• Trade and industry	3	60.0	2	40.0
• Hospital	5	26.3	14	73.7
• Textile	49	57.6	36	42.4
• Total	9	52.3	52	47.7

As can be seen in table 3.22, 96.2 percent of females do not have their own house while only 3.8 percent of female employees are homeowners. Moreover, 100 percent of female employees in Felegehiwot Hospital and West Gojjam Trade and Industry office are not homeowners. On the other hand, 52.3 percent of male sampled employees do not have their own house and the remaining 47.7 percent are homeowners. The percentage of male homeowners is greater (73.7 percent) than that of the two sampled institutions (West Gojjam Trade and Industry and Bahir Dar Textile Mills). Hence, it is possible to conclude that male employees have a probability of being homeowners more than that of female employees. This is because of different reasons that make males to have better financial situation than that of females.

### 3.4.2 Age and tenure structures

In order to see the relationship between age and tenure structure of employees, cross tabulation is made. The following table depicts the percentage distribution of employees by age and tenure structure.

**Table 3.23 the percentage distribution of tenure structure of employees and their institution by their age group**

Age	Tenure structure of employees			
	Non-owners		Homeowners	
	Freq.	%	Freq.	%
Young adults				
• Trade and industry	5	93.3	1	16.7
• Hospital	25	96.2	1	3.8
• Textile	75	89.3	9	10.7
• Total	105	90.5	11	9.5
Middle-aged				
• Trade and Industry	0	0	1	100
• Hospital	1	7.1	13	92.9
• Textile	2	65	29	93.5
• Total	3	6.5	43	93.5

Table 3.23 revealed that, 90.5 percent of young adults do not have their own house while 9.5 percent do not have their own home. Of the young homeowners, 16.7, 3.8 and 10.7

percent are the employees of West Gojjam Trade and Industry, Felegehiwot Hospital and Textile Industry respectively.

Table 3.23 also depicted that, 93.5 percent of middle-aged employees are home owners while 6.5 percent do not have their own home. 100 percent of Trade and Industry, 92.9 percent of Felegehiwot Hospital and 93.5 percent of Bahir Dar Textile Mills middle-aged employees are homeowners. This indicates that, as age increases, the probability of being homeowner also increases.

### 3.4.3 Marital status and tenure structure

Regarding the relationship between marital status and tenure structure of employees, cross tabulation is made among marital status, tenure structure and employees institution. For the suitability of data analysis, the sampled employees are categorized into married and never married. The sampled employees, who are divorced, separated and widower/widowed are also included in the married category.

**Table 3.24 the percentage distribution of employees by marital status and tenure arrangement**

Marital status	Tenure structure of employees			
	Non -owners		Homeowners	
	Freq.	%	Freq.	%
Never married				
• Trade and Industry	5	100	0	0
• Hospital	25	96.2	1	3.8
• Textile	60	88.2	8	11.8
• Total	90	90.9	9	9.8
Married				
• Trade and industry	0	0	2	100
• Hospital	1	7.1	13	92.9
• Textile	17	36.2	30	63.8
• Total	18	28.6	45	71.4

According to the respondents, 90.9 percent of employees who have never married are not homeowners while the remaining 9.1 percent are homeowners. A comparison of

employees of the sampled institutions indicate that the percentage of unmarried homeowners is greater (11.8 percent) in Bahir Dar Textile Mills than the two the remaining sampled institutions.

On the other hand, 71.4 percent of married employees are homeowners and the remaining 28.6 percent do not have their own home. As can be seen in the table above, 100, 92.9 and 63.8 percent of West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile Mills married employees respectively do not have their own home. A comparison of sampled institutions' employees indicate that the percentage of homeowner for married sampled employees is less (63.8 percent) in Bahir Dar Textile Industry than the remaining sampled institutions (Felegehiwot Hospital and West Gojjam Trade and Industry office). Generally, it is possible to conclude that married employees have a higher chance of being homeowner than that of unmarried employees. This is because married employees are less mobile than unmarried employees.

### 3.4.4 Educational status and tenure structure

The result of cross tabulation among educational status, tenure structure and institution is depicted in the table below.

**Table 3.25 the percentage distribution of employees by educational status and tenure arrangement**

Educational status	Tenure structure of employees			
	Non-owners		Homeowners	
	Freq.	%	Freq.	%
Read and write • Textile	2	50.0	2	50.0
Grade 1-6 • Hospital • Textile • Total	0 1 1	0 100 50.0	1 0 1	100 0 50.0
Grade 7-8 • Textile	1	33.3	2	66.7
Grade 9-10 • Hospital • Textile • Total	1 14 15	100 77.8 78.9	0 4 4	0 22.2 21.1
10+1-10+3 • Trade and Industry • Hospital • Textile • Total	0 18 43 61	0 75.0 65.2 66.3	2 6 23 31	100 25.0 34.8 33.7
BA/BAC • Trade and Industry • Hospital • Textile • Total	5 7 16 28	100 50.0 69.6 66.7	0 4 7 14	0 50.0 30.4 33.3

According to table 3.25, 50.0 percent of employees who do have educational status from grade 1-6, are homeowners. While 66.7 percent who have educational status of BA/BSC, do not have their own home. In addition, 33.7 percent of employees who do have

educational status between 10+1-10+3 are homeowners. This indicates that the relationship between homeownership and education is low. Because those sampled employees who have better educational status do not have enough experience in order to save money for buying or building their own home. Moreover, they invest their time and money for further education than constructing or buying home.

### **3.4.5 The mode of homeownership**

Regarding the method of homeownership, 45 percent of homeowners in the sampled institutions became homeowners by constructing their own home. While 23.6 inherited from their parents, 21.8 percent became homeowner by purchasing from other owners and 9.0 percent become homeowner by other methods which are not specified. According to the employees of West Gojjam Trade and Industry office, half of the employees become home owner by constructing their house. While the remaining half of the employees become homeowner by purchasing from other owners. As indicated in annex I, table 6, the highest proportion (73.3 percent) of employees in Felegehiwot Hospital become homeowner by building their own house, 20 percent by purchasing from owners and the remaining 6.6 percent inherited from their parents. The proportions of Bahir Dar Textile Mills employees who become homeowner, inherited from relatives are higher than West Gojjam Trade and Industry office and Felegehiwot Hospital employees. This is mainly because of their place of birth. Since the majority of Bahir Dar Textile Mills employees are born in Bahir Dar, they have an opportunity to become homeowners that inheriting from their parents and relatives (annex I, table 6).

On the other hand, employees who have their own home were asked about their financial source that made them homeowners. Accordingly, 40.5 percent of homeowners' financial source was loan from individuals, 35.1 percent by using their personal saving, where as 10.8, 5.4 and 8.1 percent of employees bought or constructed their house from bank loan, loan from different financial institutions and gift from parents respectively. Hence, it is possible to conclude that, the highest proportion of employees' financial source that made

them homeowners was loan from individuals with out any interest rate and long repayment period (annex I, table 7).

The sampled employees who become homeowners by borrowing from banks and different financial institutions were further asked about the interest rate of the loan, its completion period, its repayment per month and the criteria which are required to get loan. The sampled employees who bought or constructed their housing unit by using bank loan and by borrowing from different financial institutions, 100 percent of West Gojjam Trade and Industry office homeowners replied that the interest rate of the loan is moderate. However, 66.7 percent of Felegehiwot Hospital employees replied that the interest rate of the banks as well as different financial institutions is high. While 61.5 percent of Bahir Dar Textile Mills homeowners responded that the interest rate of the loan is moderate. Generally, the highest proportion (58.8 percent) of homeowners of the three institutions responded that the interest rate of the loan is moderate.

Concerning the completion period of the credit, 66.8 percent of the sampled employees who bought or constructed their house by borrowing from banks and other financial institutions replied that it is moderate. While 16.6 percent of borrowers responded that the completion period of the credit is high and low respectively. From the employees of West Gojjam Trade and Industry office, 100 percent of borrowers replied that it is high. While, 33.7 and 33.3 percent of Felegehiwot Hospital borrowers responded that it is high and moderate respectively. On the other hand 50 percent of Bahir Dar Textile Mills' where as the remaining half of the respondents replied that it is low.

Moreover, 66.7 and 33.3 percent of bank and other financial institutions borrowers responded that the repayment amount of the credit per month is high and moderate respectively. Whereas 100 percent of West Gojjam Trade and Industry and Felegehiwot Hospital employees replied that it is high. On the other hand, 33.7 and 66.3 percent of Felegehiwot Hospital borrowers responded that, the monthly repayment of the credit is high and moderate respectively.

Furthermore, the employees who borrowed money from banks and different financial institutions were further asked about the criteria which are required for mortgage loan. Accordingly, 83.3 and 16.7 percent of respondents replied that the criteria that is required for mortgage is high and moderate respectively. Of these, 100 percent respondents of West Gojjam Trade and Industry office and Felegehiwot Hospital replied that the criteria are high. Hence, one can conclude that, since the middle- and low- income employees could not afford the mortgage criteria and the monthly repayment of the credit they could not access housing loan from different banks and financial institutions.

### **3.5 Reasons for renting homes**

Renting means paying money to live in a dwelling unit that is owned by someone else. Most people live in certain area to be close to their work place and not to spend a lot time by traveling for their daily activities. Finding a home close to their place of work or using fast public transportation is very important. Certain services may also be important for example, parents with school-age children will want to live close to schools, play ground and other recreational facilities (Sherwood, 1990). On the other hand others prefer to live in rented house due to financial problems or to be close to friends and parents. Accordingly the highest proportion of renters prefers to live in rented housing unit due to financial problem to construct or buy their own house. On the other hand, 4.6 and 1.1 percent live in rented housing unit in order to be close to place of work and to be close to parents (friends) respectively. The remaining 8.1 percent of employees live in rented house because of different reasons which are not specified. According to the employees of West Gojjam Trade and Industry office, 100 percent of renters prefer to be renters due to financial problems. Whereas, 86.9, 8.6, 4.3 percent of respondents of Felegehiwot Hospital replied that they prefer to be renters because of financial problem, to be close to place of work and because of other reasons respectively. Moreover, 84.7, 3.3 and 1.6 percent of Felegehiwot Hospital renters replied that they live in rented house because of financial problem, to be close to place of work and to be close to parents and friends respectively (annex I, table 8).

The survey data also shows that 12.1 percent of renters have a house elsewhere in Bahir Dar in some else town; while 87.9 percent of renters do not have a house elsewhere in Bahir Dar. A comparison of the three institutions shows that, 100 percent of respondents in West Gojjam Trade and Industry office do not have a house elsewhere in Bahir Dar where as 8.0 and 14.3 percent of Felegehiwot Hospital and Bahir Dar Textile Mills’ renters respectively have a house elsewhere in Bahir Dar in some else town. It indicates that, some homeowners live as tenants even though they do have their own home Bahir Dar in some else town. Because they came to Bahir Dar to look for a job, education, a better infrastructure and the likes. While, 92.0 and 85.7 percent of Felegehiwot Hospital and Bahir Dar Textile Mills renters respectively do not have any housing unit in Bahir Dar as well as in some else town (annex I, table 9). Hence, it’s possible to conclude that the highest proportion of renters do not have any housing unit in Bahir Dar as well as in some else town.

### 3.6 Attempt to obtain land for housing construction

As indicated in table 3.26, 72.2 percent of sampled employees have attempted to obtain land for house construction in Bahir Dar city; While 27.8 percent have not attempted. According to the employees of West Gojjam Trade and Industry office, 100 percent of them have attempted to obtain land for house construction.

**Table 3.26 employees’ attempt to obtain land for housing construction**

attempt to obtain land for house construction in Bahir Dar	Respondents’ institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. yes	7	100	28	70.0	82	71.3	117	72.2
b. no	0	0	12	30.0	33	28.7	45	27.8

Whereas, 70 and 71.3 percent of Felegehiwot Hospital and Bahir Dar Textile Mills employees respectively have attempted to obtain land for house construction in Bahir Dar.

As indicated in annex I, table 10, 65.8 percent of the applicants have attempted to obtain land individually while, 34.2 percent through housing cooperatives. 28.6, 53.6 and 67.1 percent of West Gojjam Trade and Industry office, Felegehiwot Hospital and Bahir Dar Textile Mills' respondents respectively have attempted individually, whereas, 71.4, 46.2 and 32.9 percent of West Gojjam Trade and Industry office, Felegehiwot Hospital and Bahir Dar Textile Mills' respectively have attempted to obtain land through housing cooperatives.

Nonetheless, due to the formalities that the applicants have to fulfill during the land delivery system and because of different problems in the land delivery system, the highest percentage of the applicant could not obtain land. Accordingly, 76.5 percent have not obtained land while the remaining 23.5 percent have obtained land for housing construction (annex I, table 11). Of these, 44.8 percent have obtained their land between 3-4 years, 28.9 percent have obtained after five years of their application; whereas, 2.6 percent have obtained their land within and less than a year. According to the employees of West Gojjam Trade and Industry office 100 percent of the applicants have obtained their land between 3-4 years. Whereas 40 and 44.5 percent of Felegehiwot Hospital and Bahir Dar textile Mills' applicants respectively have obtained between 3-4 years (annex I, table 12). In addition many of the interviewees complained that, the residential land delivery system has a number of problems. For instance, an employee in Bahir Dar Textile Mills replied that:

“Even though there is no any office that doesn't have any problem, the land delivery system lacks good governance. It is full of corruption and related problems. It is obvious that one of the criteria's of residential land supply system is living a minimum of two years in the city. However, we have seen that a number of individuals who have never lived in Bahir Dar even for a short period of time (who live in around Bahir Dar in different Zones and Woredas) have got residential land. Therefore low- and middle-income groups could not benefit from the existing land delivery system. The only benefited groups are those high-income groups especially who tried to get residential land by informal methods like by giving tip for the officials. Moreover, residential land has not been allocated during the last three years.”

Besides, another employee in Felegehiwot Hospital responded that the land delivery system is not free from corruption and related problems including nepotism. According to the respondent, a number of officials could not respect different ethical codes. For example, I have seen that a married woman, who has two houses in the name of her husband and her daughter, has got residential land. Even though more than one house in one family is not possible to construct, she has got the land.

In addition, according to the majority of the interviewees, the housing regulation implemented by the municipality is not effective in addressing the interest of low- and middle-income groups. According to the current housing regulation, constructing a house with mud is not allowed although low- and middle-income groups could not afford the current price of construction material. Furthermore there is no special criterion to supply residential land in addressing the housing problem of middle- and low-income groups. Besides, residential land has not given in the last three years. Since low- and middle-income people are out of the housing market, it is difficult to make them homeowners unless the municipality starts supplying residential land.

More surprisingly, the municipality has no any documented material as well as data about the number of applicants in each year. According to the FGD conducted with officials the municipality has no any controlling mechanisms to check whether the land supply system is fairly distributed among different income groups or not. In addition there is no any program in alleviating the housing problem of middle-and low-income communities.

The participants of the FGD indicate that, the integration of their department with other stockholders in providing affordable housing to the middle-and low-income employees is little. According to them, their integration is only with electric power corporation, road authority and water development office.

The sampled employees who obtained land for house construction were asked about the degree of their satisfaction about condition of the land. Table 3.27 indicates that the satisfaction level of the employees, who have obtained the land, about their plot.

**Table 3.27 the satisfaction level of employees about their plot**

degree of satisfaction with:	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
Lot size								
a. I am satisfied	0	0	4	40	15	55.6	19	50.0
b. I am not satisfied	1	100	4	40	11	40.7	16	42.1
c. I have no idea	0	0	2	20	1	3.7	3	7.9
Nearness to market place								
a. I am satisfied								
b. I am not satisfied	0	0	2	20	13	48.1	15	39.5
c. I have no idea	1	100	8	80	14	51.9	23	60.5
	0	0	0	0	0	0	0	0
Nearness to school								
a. I am satisfied	0	0	2	20	13	48.1	15	39.5
b. I am not satisfied	1	100	8	80	14	51.9	23	60.5
c. I have no idea	0	0	0	0	0	0	0	0
Nearness to work place								
a. I am satisfied								
b. I am not satisfy	0	0	3	30	16	59.3	19	50.0
c. I have no idea	1	100	7	70	10	37.0	18	47.4
	0	0	0	0	1	3.7	1	2.6

According to the respondents, the majority (50.0 percent) of them were satisfied with the lot size while 42.1 percent were not satisfied and the remaining 7.9 percent did not have idea with it. A comparison of the three sampled institutions shows that, 40 percent of Felegehiwot Hospital and 55 percent of Bahir Dar Textile Mills' employees were satisfied with the lot size; Whereas, 40 percent of Felegehiwot Hospital and 40.7 percent of Bahir Dar Textile Mills' employees were not satisfied with the lot size that they have obtained.

In addition, the responses that have obtained land for house construction were also asked to forward their own judgment whether the plot is near to market place, school and work place or not. In view of that, only 39.5, 39.5 and 50.0 percent of the respondents were

satisfied with nearness to market place, school and work place respectively. While 60.5, 60.5 and 47.4 percent were not satisfied with nearness to market place, school and work place respectively. It indicates that the highest proportion of respondents was not satisfied with nearness to market and school. However, about half of the respondents were satisfied with nearness to work place.

When we compare the response of employees in the sampled three institutions, 100 percent of Trade and Industry office employees who have obtained land for house construction were not satisfied with nearness to market place, school as well as work place. While 40, 80 and 70 percent of Felegehiwot Hospital employees were not satisfied with nearness to market, school as well as work place respectively. The response of Bahir Dar Textile Mills employees indicate that, 40.7, 51.9, and 37.0 percent of them were not satisfied with nearness to market place, school and work place respectively. The remaining 3.7 percent of them do not have idea about their satisfaction.

Moreover, respondents were asked about the problems that are prominent in the process of gaining access to land for housing. Accordingly, most of the employees replied that, the land delivery system has a number of problems like poor institutional capacity, corruption, discrimination and lengthy bureaucratic procedures. Furthermore; the respondents said that being a member of one political party has either negative or positive influence on the land delivery system.

### **3.7 Attempt to build or buy home**

As depicted in table 3.28, 51.9 percent of employees have attempted to buy or build home while 48.1 percent have not attempted. 57.1, 60.0 and 48.7 percent of West Gojjam Trade and Industry office, Felegehiwot Hospital and Bahir Dar Textile Mills' employees respectively have not attempted to build or buy home.

**Table 3.28 respondents' attempt to build or buy home**

Respondents' attempt to build or buy home	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
	a. yes	4	57.1	24	60.0	56	48.7	84
b. no	3	42.9	16	40.0	59	51.3	78	48.1

Of the employees those who have attempted to buy or build home, only 40.5 percent have successfully bought or built their own home while 59.5 percent have not bought or built. Relatively better proportion of (50.0 percent) of West Gojjam Trade Industry office employees have successfully bought or built their housing unit. The remaining half of the respondents was not successful to build or buy home. According to Felegehiwot Hospital employees who have attempted to build or buy home, only 33.3 percent were successful, while 66.7 percent were not successful. On the other hand, 42.9 percent of Bahir Dar Textile Mills' employees have successfully built or bought home; whereas 57.1 percent were not successful (annex I, table 13).

From the sampled employees, those who have not attempted to build or buy home, so far were also asked about their reason not to build or buy their home. Table 3.29 depicts the respondents reason that made them not to build buy their home.

**Table 3.29 respondents' reason not to attempt to build or buy home**

Respondents' reason not to attempt to build or buy home	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. lack of disposable income	3	100	10	62.5	45	76.3	58	74.4
b. scarcity of building material	1	33.3	2	12.5	18	30.5	21	26.9
c. being temporary resident	0	0	3	18.8	7	11.8	10	12.8
d. absence of loan	2	66.7	10	62.5	35	59.3	47	60.3
e. difficulty to obtain a plot	3	100	16	100	55	93.2	74	94.9
f. satisfaction with the current rented home	0	0	0	0	0	0	0	0
g. dissatisfaction with the location of the plot	0	0	0	75.0	6	10.2	18	23.1

As indicated in table 3.29, of the employees who have not attempted to buy or build home, 100 percent of West Gojjam Trade and Industry office employees’ and Bahir Dar Textile Mills’ employees’ problem not to attempt to build or buy home was due to the difficulty to obtain a plot. Whereas, 100 percent of West Gojjam Trade and Industry office employees’ and Bahir Dar Textile Mills’ employees’ problem not to attempt to build or buy home was due to the difficulty to obtain a plot, where as 100 percent of West Gojjam Trade and Industry office employees and 62.5 percent of Felegehiwot Hospital employees have not attempted to buy or build house because of lack of disposable income. On the other hand, of the respondents of the three sample institutions, 74.4 and 94.9, percent of respondents have not attempted to buy or build their house because of lack of income and difficulty to obtain a plot respectively. Hence, it is possible to conclude that, the land delivery system of the city has a number of problems such as poor institutional capacity and corruption.

Past studies reveal that, different religious institutions, governmental and nongovernmental organizations, large factories and industries are the cause of shortage of land for house construction. Accordingly, the sampled employees were asked whether different religious institutions, governmental organizations, large factories and industries are the cause for shortage of land for housing construction or not. The following table shows the response of sampled employees about it.

**Table 3.30 respondents’ response about the cause of shortage of land for house construction**

Religious institutions, governmental and nongovernmental organizations, large factories and industries as a cause for the shortage of land	Respondents’ institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. yes	4	57.1	12	30.0	44	38.3	60	37.0
b. no	3	42.9	28	70.0	71	61.7	102	63.0

As can be seen in table 3.30, 63.0 percent of the employees do not believe that different religious institutions, governmental and nongovernmental organizations, large factories

and industries are the cause for the shortage of land for house construction. However, 37.0 percent of the respondents' blem on the above listed institutions for the shortage of land for house construction. 57.1, 30.0 and 38.3 percent of West Gojjam Trade and Industry office, Felegehiwot Hospital and Bahir Dar Textile Mills' employees believe that these institutions are the main cause for shortage of land for housing construction. Since these institutions need a vast plot of land for their construction, they have delivered a large area. That's why these institutions are the main causes for shortage of residential land.

Some people do not want to construct their house in the expansion area of the city. In relation to this, the sampled employees were asked whether they are interested in constructing house if they have given the opportunity of acquiring land in the expansion area of the city or not.

**Table 3.31 respondents' interest to build house in the expansion area of the city**

Interest in constructing house in the expansion area of the city	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
	a. yes	7	100	36	90	97	84.3	140
b. no	0	0	4	10	18	15.7	22	13.6

As indicated in table 3.31, 86.4 percent of employees are interested in constructing house if they have given the opportunity of acquiring land in the expansion area of the city, whereas 13.6 percent are not interested. According to West Gojjam Trade and Industry office, 100 percent of the respondents are interested in constructing house if they have given the opportunity. While 90.0 and 84.3 percent of Felegehiwot Hospital and Bahir Dar Textile Mills employees respectively are interested in constructing house even if they have given the opportunity of acquiring land for housing in the expansion area of the city, While 10 percent of Felegehiwot Hospital and 15.7 percent of Bahir Dar Textile Mills' employees are not interested to construct house in the expansion area of the city. According to them, since the place is far from the city center, it may not be close to their

place of work as well as the necessary amenities and infrastructures may not be fulfilled. As a result they are not interested in constructing house if they have given the opportunity of acquiring land for housing in the expansion area of the city.

Homeownership is the result of long-term planning. A very large number of employees plan to build home in their life time. Others may plan to buy or live in rented housing unit. Table 3.32 shows the future plan of employees.

**Table 3.32 future plan of employees**

Future plan of employees	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. to construct my own house	7	100	24	60.0	83	72.2	114	70.4
b. to buy other new house	0	0	3	7.5	6	5.6	9	5.6
c. to live in rented house	0	0	2	5.0	4	3.5	6	3.7
d. other	0	0	11	27.5	33	19.1	33	20.4

Data from the three sampled institutions reveal that, the highest proportion (70.4 percent) of employees' future plan is to construct their own house, whereas 5.6 and 3.7 percent plan to buy new house and live in rented housing unit respectively. The remaining 20.4 percent do not have any plan about their future housing unit. When we compare the future plan of the three sampled institutions, 100, 60 and 72.2 percent of West Gojjam Trade and industry office, Felegehiwot Hospital and Bahir Dar Textile Mills' employees respectively planned to construct their housing unit. 27.5 percent of Felegehiwot Hospital and 19.1 percent of Bahir Dar Textile Mills' employees do not have any plan about their future housing unit. While 5.0 percent and 3.5 percent of Felegehiwot hospital and Bahir Dar Textile mills' employees respectively planned to live in rented housing unit. The remaining 7.5 percent of Felegehiwot Hospital and 5.6 percent of Bahir Dar Textile Mills employees' future plan is to buy new house. This may be because of the difficulty of obtaining residential land as well as construction materials.

Furthermore, the sampled employees were asked about the factor that most affects access to housing. The following table depicts about the factor that may mostly affect access to housing of the sampled employees.

**Table 3.33 respondents' factor that most affects access to housing**

The factor that most affects access to housing	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. difficulty in accessing financial institutions	0	0	3	7.5	14	12.2	17	10.5
b. difficulty in obtaining land for housing	6	85.7	23	57.5	72	62.6	101	62.3
c. lack of transparency and because of nepotism	1	14.3	10	25.0	21	18.3	32	19.8
d. because of limited number of affordable housing for sale	0	0	4	10.0	2	1.7	6	3.7
e. other	0	0	0	0	6	5.2	6	3.7

According to table 3.33, relatively the highest proportion (62.3 percent) of the sampled employees' problem is difficulty of obtaining land for housing. While 10.5, 19.8, and 3.7 percent of employees' problem that most affects their access to housing is difficulty in accessing financial institutions, lack of transparency and the availability of limited number of affordable housing for sale respectively. The remaining 3.7 percent of employees replied that different factors that are not mentioned affect their access to housing. Regarding West Gojjam Trade and Industry office, 85.7 and 14.3 percent of respondents' factor that most affects their access to housing is difficulty in obtaining land for housing and lack of transparency and because of nepotism respectively. About 57.5, percent of Felegehiwot Hospital employees responded that, difficulty in accessing land most affects their access to housing. On the other hand, 62.6percent of Bahir Dar Textile Mills' employees also responded that difficulty in obtaining land most affect their access to housing. Hence it is possible to conclude that difficulty in obtaining land for housing construction is the factor that most affects access to housing. In addition, the majority of the interviewees responded that, poor institutional capacity in the land delivery system (including lengthy of land delivery system, corruption and related problems, lack of

accountability and transparency), the increment of the demand of residential land and scarcity of building materials are the factors influencing middle-and low-income groups not to have access to housing. As they pointed out, the problem related to land delivery system is the major factor that influences access to homeownership of middle-and low-income groups.

The majority of the interviewees also indicated that, although condominium housing scheme is effective in solving residential land shortage, the low- and middle-income groups could not financially afford it. In relation to this, the participants of the FGD told that, basically condominium housing scheme

The sampled employees were also asked whether the problem of housing could only solved by the government effort or not. Accordingly, 30.9 percent of the sampled employees replied that housing problem could only be solved by the government effort. While relatively the highest proportion of employees replied that the problem of housing could not only be solved by the governments’ effort. Instead, different governmental and nongovernmental organizations with the community and concerned bodies could cooperatively solve it. Table 3.34 depicts respondents’ opinion about the solution of housing problem.

**Table 3.34 respondents’ opinion about the solution of housing problem**

Government’s effort as the only solution of housing problem	Respondents’ institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. yes	4	57.1	12	30	34	29.6	50	30.9
b. no	3	42.9	28	70	81	70.4	112	69.1

Table 3.34 indicated that 57.1, 30.0 and 29.6 percent of West Gojjam Trade and Industry, Felegehiwot Hospital and Bahir Dar Textile Mills’ employees respectively responded that the problem of housing could only be solved by the government effort, while 42.9 percent of West Gojjam Trade and Industry Office, 70.0 percent of Felegehiwot hospital and 70.4 percent of Bahir Dar Textile Mills’ employees replied that the housing problem could not only be solved by the government rather it should have to involve others’ effort, too.

### 3.8 The association between tenure structure and employees characteristics

In order to examine the degree and the direction of correlation between tenure structure and employees' characteristics, Pearson correlation analysis was made. The following table depicts their correlation.

**Table 3.35 the correlation between tenure structure and employees characteristics**

	sex	age	Birth	marital	Edu	exper	income	hhsiz	saving
Tenure Pearson correlation Sig.(2 tailed)	0.437	0.803	0.008	0.645	-.45	0.797	0.627	0.392	0.714

Correlation is significant at the 0.05 level (2 tailed)  
 As can be seen from table 3.35, there is a positive association between tenure structure of employees and their sex, age, marital status, income, experience and saving habit, place of birth as well as household size. However, there is statistically significant negative correlation coefficient (-0.45) for the association between educational level and tenure structure of employees, indicating that the linear relationship between these two variables is one variable decrease as the other increases and vice versa. This is may be because the employees who have better educational attainment are mostly young adults. Hence the probability of saving enough money that makes them to be homeowners is very low. Moreover, the middle-aged employees have enough experience that made them homeowners although their educational attainment is low.  
 From all independent variables, tenure structure is made a relatively strong (0.803) association with age.

### 3.9 Multiple Regression analysis

The regression analysis was made in order to examine the type and strength of the relationship between tenure structure of employees (y) and their characteristics i.e. sex ( $x_1$ ), age ( $x_2$ ), place of birth( $x_3$ ), marital status ( $x_4$ ), educational status ( $x_5$ ), experience ( $x_6$ ), income ( $x_7$ ) and saving ( $x_8$ ) and household size ( $x_9$ ). The coefficients for each of the variables indicate that the amount of change one could expect in tenure structure given a one unit change in the value of that variable, given that all other variables in the model are held constant.

**Table 3.36 multiple regression analysis**

#### Model summary

Model	R	R square	Adjusted R Square	Standard error of the estimate
1	.885	.783	.771	.226

a. predictors: (constant), sex, hhsizes, birth, edu, marit, income, age, exper, saving

The model summary shows that, the independent variables are affecting tenure structure at the extent of 0.783. Or, 78 percent of variation in housing tenure structure is explained by the independent variables.

#### Coefficients

Model	Unstandardized coefficients		Standardized coefficients	t	sig
	B	Std.Error	Beta		
constant	-.771	.128		-6.007	.000
sex	.075	.042	.074	1.776	.078
age	.374	.071	.358	5.289	.000
birth	.116	.037	.123	3.127	.002
marit	.156	.048	.161	3.269	.001
edu	.011	.020	.022	.530	.597
exper	.126	.034	.265	3.748	.000
income	.026	.006	.199	4.104	.000
hh size	.010	.007	.063	1.505	.134
saving	.265	.045	.275	5.867	.000

The multiple regression analysis of the variables using a stepwise method indicates that, six variables (age, place of birth, marital status, experience, income and saving) appeared to have statistically significant positive impact on the dependent variable, housing tenure. The highest proportion of variance is explained by age (0.374). This result goes in line with the hypothesis that as age rises homeownership also rises. Age may affect housing tenure in different ways. First, older employees have spent more years in the workforce and their income has most likely risen. Moreover, older employees are less mobile than younger employees. Hence, the probability of homeownership most likely risen with increasing age.

## **Chapter Four**

### **Summary, conclusion and recommendation**

#### **4.1 Summary**

This study was conducted to identify the major factors access to homeownership of low- and middle income employees in Bahir Dar. In order to conduct the research survey method, interview, FGD and direct observation has been employed.

Regarding the socio-economic composition of the sampled employees, 71.4 percent were male, 63.6 percent were young adults, and 49.4 percent were singles and 55.6 percent of employees have educational level which ranges grade 10+1-10+3. Moreover 61.7 percent of the sampled employees have work experience which ranges from 1 year to 10 years. The majority of respondents have a monthly income that ranges from 401-800 birr and the highest proportion (69.2 percent) of employees does not have saving habit.

Concerning the housing condition of employees, 74.7 percent live in a housing unit which is made of wood and mud, 52.2 percent of respondents replied that the floor of their housing unit is made of cement. In addition the result of the survey indicated that 32.1 percent of the sampled employees live in a housing unit that doesn't have any ceiling. The structure and type of housing unit of the employees depicted that 57.4 percent of the employees live in the detached housing unit. Besides, 43.2 percent live in a housing unit which has only 1 room. Furthermore, the finding of the study showed that, the majority (73.5 percent) of employees live in service quarter.

It is obvious that, the availability of housing amenities and facilities is one of the indicators of housing quality. In relation to this, the majority of the sampled employees have their own tap water (52.1 percent) and private electric meter (51.9 percent). Relatively highest proportion (44.4 percent) of sampled employees has traditional (private) kitchen. However 61.7 percent lack bathing facility. On the other hand, 60.5 percent of employees use municipal solid waste disposal system. None the less, 43.8 percent do not have any type of sewerage disposal system.

The tenure structure of employees indicated that, only 34.0 percent of employees have their own housing unit. Of these 45.5 percent have tenant while 54.5 percent of homeowners do not have. Data from the three sampled institutions revealed that 18.2 percent of homeowners do not have municipal permit to construct their home.

Regarding the method of homeownership, relatively the highest proportion (45 percent) of homeowners become homeowners by constructing their own house. The financial source of the majority (40.5 percent) of homeowners was loan from individuals. The majority of sampled employees responded that, the interest rate and the completion period of the credit is moderate. However, the criteria require for the loan is high.

Moreover, it was found that, most of the respondents prefer to live in rented housing unit due to financial problems. The survey data showed that, only 12.1 percent of renters have a house elsewhere in Bahir Dar in somewhere else town.

Regarding the land delivery system, the survey data as well as the result of interview indicated that the residential land supply system of the municipality exhibits a number of problems including delay of formal land delivery system, high required standards, land related corruption, limited land supply and the likes. As a result most people want to get land through informal process than formal ones. As the data depicted, even though 72.2 percent of the sampled employees have attempted to obtain residential land, only 23.5 percent have obtained land for housing construction. According to the respondents who have obtained residential land, the majority (50.0 percent) of them were satisfied with the lot size and nearness to work place. However, 39.5 percent were not satisfied with nearness to market place and school.

Although 51.9 percent of employees have attempted to build or buy home, only 40.5 percent of them have successfully bought or built their own home. 94.9 percent of the employees have not attempted to build or buy their own house because of the difficulty to obtain a plot. Besides, the highest proportion (62.3 percent) of the sampled employees'

problem that most affects their access to housing is difficulty in obtaining residential land.

As the data depicted, 86.4 percent of the sampled employees are interested in constructing house even if they are given the opportunity of acquiring land in the expansion area of the city. Moreover, the highest proportion (70.4 percent) of employees' future plan is to construct their own house, even though the municipality has already stopped supplying residential land.

Concerning the relationship between the characteristics of employees and their tenure structure, 96.2 percent of female employees do not have their own home while 47.7 percent of male employees are homeowners. 90.5 percent of young adults do not have their own home while 93.5 percent of middle-aged employees are homeowners. The marital status of homeowners indicated that only 9.1 percent of single employees are homeowners while 71.4 percent of married employees are homeowners. Concerning the relationship between homeownership and educational status, 50.0 percent who do have educational status which ranges from grade 1-6 are homeowners while 66.7 percent of employees who have educational status of BA/BSC, do not have their own home.

According to Pearson correlation analysis, there is a positive association between tenure structure of employees and their age, sex, marital status, income, experience household size, place of birth and saving. From all independent variables tenure structure is made a relatively strong (0.803) association with age. None the less there is statistically significant negative correlation coefficient (-0.45) for the association between educational level and tenure structure of employees.

The multiple regression analysis of the variables using stepwise method indicated that all variables are correlated positively. The highest proportion of variance is explained by age (0.305).

## **4.2 Conclusion and recommendations**

It is obvious that housing is one of the basic needs of human beings. None the less developing countries have experienced different problems that are related to housing provision. Ethiopia, one of the developing countries, is experiencing housing problem especially in different cities where urban population is increasing dramatically.

The finding of the study showed that, the majority of the sampled employees live in poor housing condition like a housing unit which is made of wood and mud, that doesn't have any ceiling and which has only one room. The housing facilities and amenities also showed that, the highest proportion of employees live in poor housing quality.

Furthermore, the highest proportions of employees do not have their own house. It is because of different factors. The major factor that influences access to homeownership is problems related to land delivery system. The municipality has no any controlling mechanism whether it is fairly distributed or not. In addition, there are no any special criteria in order to supply residential land for middle-and low-income groups. Even though the only method of homeownership for middle-and low-income employees is constructing their own home, the municipality has already stopped supplying residential land even in the expansion area of the city.

Pearson's correlation analysis showed that, age, sex, place of birth, marital status, household size, and experience as well as saving had a positive influence on access to homeownership. From all variables, tenure structure is made a relatively strong association with age. It indicated that, the probability of homeownership increases with increasing age. Moreover, it indicated that married employees are homeowners than singles; male employees are homeowners than females; middle-aged employees are also homeowners than that of young adults. In addition, those employees with more experience and saving habit have a better probability of being homeowners since their income increases with increasing experience and saving. However, the relationship between homeownership and educational status is negative. It is also found that, only few employees have accessed to banks and financial institutions. This is mainly because of

the lending criteria and the interest rate of the loan. The lending criteria don't consider the financial situation of low and middle-income employees.

In addition there is no any program that made middle-and low-income groups homeowners except condominium housing scheme. Besides, the scheme could not be effective in solving the housing problem of middle-and low-income employees.

Based on the research findings and conclusion, the researcher would like to forward the following recommendations.

- First and for most, it is better for the municipality to improve low-cost housing projects in order make low- and middle- income employees homeowners. For instance, the effort to make the targeted groups homeowners in condominium housing scheme should be taken a special attention by using local building materials like agro-stone production.
- The municipality should restart supplying residential land in the expansion area of the city. Different strategies should be designed in order to address the demand of residential land for low-and middle-income groups. Since the majority of middle-and low-income groups are too poor to afford the current housing market, special land delivery criteria should be planned and implemented effectively in order to make them homeowners. Moreover, the municipality should have a controlling mechanism in order to solve the problem of land delivery system, furthermore, the overall capacity and process of the land delivery system of the municipality should be periodically evaluated.
- The housing standards and design of the residential houses should take into account the financial potential of low-and middle-income groups.
- It is better the municipality to conduct awareness rising to increase the saving habit of the community. Different financial institutions should be expanded and provide housing loan with appropriate criteria, low interest rate and long time for the repayment of the amount of the loan. Moreover, middle-and low-income employees should improve the habit of saving by using formal and informal methods like equb.

- Employees' institutions should try to make their employees homeowners by different methods like by providing housing facility or housing loan without any interest rate.
- Finally the researcher would like to recommend that different stake holders should be integrated with the targeted groups, governmental and non-governmental organizations for the improvement of the housing condition, the housing amenities and facilities as well as the tenure structure of middle-and low-income employees.

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## Appendices

### Annex – I

#### Tables

Table1. Characteristics of respondents

no	Item	Respondents' institution						Total	
		Trade and industry		Hospital		Textile		no	%
		no	%	no	%	no	%		
1	Place of birth								
	a. Bahir Dar	1	14.3	11	27.5	63	54.8	75	46.3
	b. other urban area	4	57.1	17	42.5	31	27.0	52	32.1
	c. rural area	2	28.6	12	30.0	21	18.3	35	21.6
2	Reasons to come Bahir Dar								
	a. looking for a job	1	16.7	8	27.5	19	36.5	27	31.1
	b. looking for education	1	16.7	6	20.7	16	30.7	24	27.5
	c. transfer of job	4	66.7	15	51.7	15	28.8	34	39.0
	d. looking for infrastructure	0	0	0	0	0	1.9	1	1.1
	e. other	0	0	0	0	0	1.9	1	1.1
3	Number of years in Bahir Dar								
	a. <1 year	0	0	2	5.0	4	3.5	6	3.7
	b. 1-10 years	5	71.4	19	47.5	26	22.6	50	30.9
	c. 11-20 years	0	0	3	7.5	12	10.4	15	9.3
	d. 21-30 years	2	28.6	13	32.5	41	35.7	56	34.6
	e.31-40 years	0	0	1	2.5	22	19.1	23	14.2
	f. >41 years	0	0	2	5.0	10	8.7	12	7.4

Table 2. Solid waste and sewerage disposal system

no	Item	Respondents' institution						Total	
		Trade and industry		Hospital		Textile		no	%
		no	%	no	%	no	%		
1	Solid waste disposal method								
	a. burning	1	14.3	11	27.5	28	24.3	40	24.7
	b. open space	0	0	2	5.0	2	1.7	4	2.5
	c. municipality service	6	85.7	25	62.5	67	58.3	98	60.5
	d. pit	0	0	2	5.0	17	14.8	19	11.7
	e. other	0	0	0	0	1	0.9	1	0.6
2	Sewerage disposal system								
	a. no sewerage system	3	42.0	19	47.5	49	42.6	71	43.8
	b. closed sewerage system	1	14.3	5	12.5	13	11.3	19	11.7
	c. open ditch	3	42.9	13	32.5	44	38.3	60	37.0
	d. other	0	0	3	7.5	9	7.8	12	7.4

Table3. The response of homeowners whether they live with their parents or not

Whether homeowners live with their parents or not	Respondents' institution						Total	
	Trade and industry		Hospital		Textile		no	%
	no	%	no	%	no	%		
a. yes	0	0	2	100	7	53.8	9	60
b. no	0	0	0	0	6	46.2	6	40

Table 4 the response of homeowners whether they do have tenant or not

Whether the homeowners have tenant or not	Respondents' institution						Total	
	Trade and industry		Hospital		Total			
	no	%	no	%	no	%	no	%
	a. yes	1	50.0	3	20.8	21	55.3	25
b. no	1	50.0	12	80.0	17	44.7	30	54.5

Table 5.the response of homeowners whether they have municipal permit or not

whether homeowners have municipal permit or not	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	No	%	no	%
a. yes	2	100	13	86.7	30	78.9	45	81.8
b. no	0	0	2	13.3	8	21.1	10	18.2

Table 6 the method of homeownership of homeowners

The method of homeownership of homeowners	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. I purchased it	1	50.0	3	20	8	21.0	12	21.8
b. I bought it	1	50.0	11	73.3	13	34.2	25	45.5
c. Inherited from parents	0	0	1	6.6	12	31.5	13	23.6
d. other	0	0	0	0	5	13.1	5	9.0

Table 7 financial source of homeowners

The financial source of homeowners	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	No	%	no	%	No	%
a. loan from individuals	10	50.0	3	21.4	11	52.4	15	40.5
b. personal saving	0	0	7	50.0	6	28.6	13	35.1
c. bank loan	1	50.0	2	14.2	1	4.7	4	10.8
d. loan from financial institutions	0	0	1	7.1	1	4.7	2	5.4
e. gift from parents	0	0	1	7.1	2	9.5	3	8.1
f. other	0	0	0	0	0	0	0	0

Table 8. Respondents reason for living in rented housing unit

Reasons for being renters	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	No	%	No	%	No	%	No	%
a. Lack of income	4	100	20	86.9	50	84.7	74	86.0
b. to be close to work place	0	0	2	8.6	2	3.3	4	4.6
c. to be close to family	0	0	0	0	1	1.6	1	1.1
d. other	0	0	1	4.3	6	10.1	7	8.1

Table 9. Renters response whether they have their own house somewhere else out of Bahir Dar or not

Whether respondents have their own house elsewhere Bahir Dar	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. yes	0	0	2	8.0	11	14.3	13	12.1
b. no	5	100	23	92.0	66	85.7	94	87.9

Table 10 the application type of the respondents

Application type	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	No	%	No	%	No	%	No	%
a. Individually	2	28.6	15	53.6	55	67.1	77	65.8
b. through housing cooperatives	5	71.4	13	46.2	27	32.9	40	34.2

Table 11. The application result of respondents

Application result	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	no	%	no	%	no	%	no	%
a. successful	2	28.6	15	53.6	55	67.1	77	65.8
b. not successful	5	71.4	13	46.2	27	32.9	40	34.2

Table 12. Application period to get plot

Application period to get plot	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	No	%	No	%	No	%	No	%
a. <1 year	0	0	1	10	0	0	1	2.6
b. 1-2 years	0	0	2	20	7	25.9	9	23.7
c. 3-4 years	1	100	4	40	12	44.5	17	44.8
d. >5 years	0	0	3	30	8	29.6	11	28.9

Table 13. Attempt's result of the respondents who attempted to be homeowner

Application result	Respondents' institution						Total	
	Trade and industry		Hospital		Textile			
	No	%	No	%	No	%	No	%
a. Successful	2	50.0	8	33.3	24	42.9	34	40.5
b. not successful	2	50.0	16	66.7	32	57.1	50	59.5

## **Annex - II**

### **Survey Questionnaire for the employees**

#### **Addis Ababa University**

Department of Geography and Environmental studies

A Questionnaire prepared for employees in three organizations

Date of questionnaire filled \_\_\_\_\_

Dear respondents: the main objective of this questionnaire is to get first hand information on the factors influencing homeownership among middle-and low- income workers in Bahir Dar city, for a thesis as a partial fulfillment of MA in Geography and Environmental studies.

It is believed that, employees in this institution could be good sources of information for this study. The information from respondents will be kept confidential and will not affect any body in any way. So you are kindly requested to give your honest opinion. Your frank and sincere response will be appreciated.

Thank you in advance!

**Direction:** for the following items below, please put a “√” mark in the box of your choice and write your response on the space provided for open-ended questions.

**I. Socio-economic and demographic aspects.**

1.1. Sex            male  female

1.2. Age \_\_\_\_\_

1.3. Marital status

Single       widower/widowed

Married       divorced/separated

1.4. Education status

Read and write       10+1 -10+3     

Grade 1-6            BA/BSC     

Grade 7-8            MA/MSc & Above     

Grade 9-10     

1.5. Work experience

<1 year       5-10 years       >15 years

1-5 years       10-15 years

1.6. Place of birth

Bahir Dar     

Other urban area     

Rural area     

1.7. If your birth place is not in Bahir Dar, why did you come?

Looking for a job     

Transfer of job     

Looking for other infrastructures     

Looking for a better education     

Other, specify \_\_\_\_\_

1.8. How long have stayed in Bahir Dar?

<1 year       5-10 years

1-5 years  > 15 years

1.9. Household size (including you) \_\_\_\_\_

1.10. Please indicate your monthly income category, expenditure and saving in the table below. In addition, indicate if there is additional income in your household than yours (per month).

	Your income	Your wife's / husband's income (if any)	Another income (if any)	Expenditure	saving
<200					
201-400					
401-600					
601-800					
801-1000					
1001-1200					
1201-1400					
1401-1600					
1601-1800					
1801-2000					
2001-2200					
2201-2400					
2401-2600					

## II. Housing condition

1. Physical structure and type of construction material

1.1. Wall of the house

Wood and mud  Blocket  Bricks& cement

Stone and cement  stone&mud  other, specify \_\_\_\_\_

1.2. The foundation of the house

Wood  mud  cement or concrete

Brick  stone  other, specify \_\_\_\_\_

1.3. Ceiling type

No ceiling  wooden  abudjidid (fabrics)

Chip wood  plastic  other, specify \_\_\_\_\_

1.4. Floor of the housing unit

Wooden tiles  earthen floor

Cement tiles  other, specify \_\_\_\_\_

2. Housing facilities and amenities

2.1. Source of drinking water

Private pipe  public pipe

Shared pipe  other, specify \_\_\_\_\_

2.2. Toilet facility privet

Private  public

Shared  no toilet

2.3. Source of light

Electricity (meter private)

Electricity (meter shared)

Other, specify \_\_\_\_\_

2.4. Kitchen type

Traditional (shared)  modern (shared)

Traditional (private)  modern (private)

No kitchen

2.5. Bathing type

Private shower  shared shower

Private bath-tub  shared bath-tub

2.6. Solid waste disposal system

Burning  Municipality service  Pit

Damping  Open space  other, specify \_\_\_\_\_

2.7. Sewerage disposal system type

No sewerage system  closed/covered sewerages system   
Open ditch  other, specify \_\_\_\_\_

## II. Tenure structure

1. Type of tenure of the housing unit you live in

Owner  family's property  other, specify \_\_\_\_\_

Keble rental  Rented from private owner

2. If the house is your relatives, are they living with you?

Yes  No

3. If you live in rented housing unit, why do you choose to live in rental house?

Lack of income to own my own home

To be close to place of work

To be close to parents and friends

Other, specify \_\_\_\_\_

4. If you are home owner, how did you become the owner of the house?

I purchased it  Inherited from parents

I built it  other, specify \_\_\_\_\_

5. If you are purchased or constructed the house, what was your financial source for constructing or buying your home?

Loan from individuals  Bank loan

Your personal saving  Loan from different micro

Gift from parents  financing institutions

Other, specify \_\_\_\_\_

6. If the source of finance for constructing or buying your housing unit is loan from banks, how do you rate the following points?

	High	Moderate	Low
The interest rate			
Completion period of your credit			
Repayment per month			
Criteria require for mortgage loan			

7. Have you ever attempted to obtain land for house construction in Bahir Dar?

Yes  No

8. If you have obtained land for house construction, how long did you wait for your application to obtain land for housing?

< 6 months  1 year – 1½ years  > 2 years

6 months-1year  1½ years – 2 years

9. Please list the major formalities that you fulfilled during the process of application.

\_\_\_\_\_

\_\_\_\_\_

10. Determine you are satisfied or dissatisfied with each of the following condition of the land that you have acquired.

	I am satisfied	I am not satisfied	I have no idea
Lot size			
Nearness to market place			
Nearness to school			
Nearness to place of work			

11. Would you mention the problem that you think to be prominent in the process of gaining access to land for housing?

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12. Have you ever attempted to build or buy your own house?

Yes  No

13. If your response for question number 12 is yes, what has been the result of your attempt to acquire home?

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14. If you have not attempted to build or buy your own house, so far, why not?

(multiple answer is possible)

Lack of disposable income  because of scarcity of building

Absence of loan  materials

Due to the lengthy  Dissatisfaction with the loca-

Bureaucratic  tion of plot

Procedures to obtain a plot  because I am temporary

Because I am satisfied with  resident in Bahir Dar

my current rented house

15. Are you addicted of any kind of addiction?

Yes  No

16. Do you think that different religious places, governmental and non-governmental organizations, large factories and industries are the cause for the shortage of land for housing construction?

17. If you given the opportunity of acquiring land for housing in the expansion area of the city, are you interested in constructing house there?

Yes  No

18. If your response for question number 17 is no, why?

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19. What is your plan concerning housing?

To construct my own house

To buy other new house

To live in rented house

Other, specify \_\_\_\_\_

19. Which one of the following do you think most affects your access to housing?

Difficulty in accessing financial institutions

Difficulty in obtaining land for housing

Lack of transparency and because of nepotism

Because of limited number of affordable housing for sale

Other, specify \_\_\_\_\_

20. What do you think the city administration must do regarding the problem of home-ownership?

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21. Do you think that the problem of housing could only be solved by the government?

Yes  no

## **Annex – III**

### **Issues to be raised during interview**

- Date of interview: \_\_\_\_\_
- Name of the interviewee: \_\_\_\_\_
- Do you think that the housing regulation implemented by the municipality is effective in addressing the interest of middle- and low- income groups? How?
- What do you suggest about the fairness of the criteria to supply land for housing in addressing the housing problem of middle- and low- income groups?
- Is there any discrimination while distributing land for housing?
- Who do you think is mostly benefited from the existing land delivery system in the town?
- How do you generally evaluate land delivery system of the municipality?
- What improvements would you like to suggest on land supply system especially with respect to low- income groups?
- Do you think that different religious place, governmental and non-governmental organizations, large factories and industries are the cause for the shortage of large for housing?
- Shortage of land is one of the causes of problem of housing. Do you think that condominium housing scheme could solve the problem of land?
- What do you think are the major factors influencing middle-and low- income groups not to have access to housing?
- Do you think that the problem of housing could only be solved by the government's effort?

## Annex IV

### Focus Group Discussion Guides

- 1) Number of applicants and supplied land for home seekers within three years.

Year	Householders applied for land	Supplied
2000		
2001		
2002		

- 2) What do you think are the factors that aggravate the miss much between demand and supply of land?
- 3) What are the obligatory preconditions that one is expected to fulfill in order to get plot of land for residential purpose?
- 4) Are there any controlling mechanisms to check whether the land supply system is fairly distributed among different income groups or not?
- 5) Are there any constraints for the municipality to perform its duties and responsibilities related to land delivery for residential purpose?
- 6) What activities have been done regarding the housing finance in alleviating the housing problem for the middle- and low- income groups?
- 7) How the municipality is trying to satisfy the demand of land for residential houses of low and middle income groups?
- 8) What are the criteria's that have been adopted to provide the land for housing especially low income groups?
- 9) Do your department work in and integrated with other stock holders who have concern in providing affordable housing to the middle and low income workers?
- 10) As we have been observed, there is a great gap between the demand and supply of land for residential housing in the city. How can it be solved?

**Declaration by the candidate**

I declare that the thesis on “factors influencing access to private homeownership in Bahir Dar city, Amhara Region: the case of middle- and low- income workers” is my original work and has not been presented for a degree in any university and all sources of material used for the thesis has been duly acknowledged.

Name: Fasika Belay

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Advisor

Name: Solomon Mulugeta (PhD)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_