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College of Business and Economics

School of Commerce

**Assessment of Residents Satisfaction with Housing Projects in
Addis Ababa City Administration**

By: Gosaye Warsa

**Submitted in Partial Fulfillment of the Requirements for the Award of
Masters of Arts Degree in Project Management.**

Advisor: Temesgen Belayneh (PhD)

June, 2017

Addis Ababa, Ethiopia

**Assessment of Residents Satisfaction with Housing Projects in
Addis Ababa City Administration**

Gosaye Warsa

A Research Project Submitted to

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Graduate Studies

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By Gosaye Warsa

Name and Signature of Members of the Examining Board

Advisor

Signature

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Examiner

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June, 2017

Addis Ababa, Ethiopia

Statement of Declaration

I, Gosaye Warsa, do hereby declare that the research project entitled “**Assessment of Residents Satisfaction with Housing Projects in Addis Ababa City Administration**”, submitted to the Department of Project Management, College of Business and Economics, Addis Ababa University in partial fulfillment of the requirement of Masters of Arts Degree in Project Management, is my original work and has not been presented for the award of any other degree, diploma, fellowship or other similar titles, in any other university or institution. All sources of reference used for the project have been duly acknowledged.

Declared By: Gosaye Warsa

Confirmed by: Temesgen Belayneh(PhD)

Signature:_____

Signature:_____

Date:_____

Date:_____

June, 2017

Addis Ababa University School of Commerce

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Acronyms and Abbreviations

AA	Addis Ababa
AACHPO	Addis Ababa Housing Construction Project Office
AAHDA	Addis Ababa Housing Development Agency
CBB	Construction and Business Bank
CBE	Commercial Bank of Ethiopia
FDRE	Federal Democratic Republic Of Ethiopia
IHDP	Integrated Housing Development Program
MoFED¹	Ministry of Finance and Economic Development
MSE	Micro and Small Enterprises
OHCHR	Office of the United Nations High Commissioner for Human Rights
MUDH	Ministry of Urban Development and Housing
UN	United Nations Human Settlement Program

¹ MoFED is currently called MoFEC(Ministry of Finance and Economic Cooperation).

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ABSTRACT

The 10/90 condominium houses have been constructed as part of the Integrated Housing development Program. The target residents of these houses are the poorest sections of the population whose monthly income is below 1200 Birr. The purpose of this paper is to assess the satisfaction of the residents of 10/90 condominium housing residents. The research design used is a mixed approach; which incorporates both qualitative and quantitative approaches. Questionnaires have been distributed for condominium house owners on a random basis by using proportionate sampling method in Akaki Kality, Bole and Yeka Sub Cities. Personal Interview and discussion was conducted with housing officials from Addis Ababa Housing Development Project Office, Addis Ababa Housing Development Agency, Ministry of Works and Urban Development, and the selected sub Cities. Percentage, mean, tables, and graphs were generated using SPSS version 22.0 to analyze and examine the quantitative data. The results indicate that program has improved the way of life of its residents like private kitchen and toilet and transforming previous tenants to house owners. There are also dissatisfactions from the respondents. The first one is in terms of affordability. The residents have gone under financial pressure to cover their housing related expenses. The program also has complaints on the construction quality of the houses. The other limitation of the program is absence of infrastructure. It has also been found that the houses are located far from public utilities and city centers. Considering the above limitations, this research presents possible solutions. Infrastructure should be ready prior to transfer of the houses. The houses should also be constructed in near distance from city centers. Furthermore, inclusion of other financial institutions from Commercial Bank of Ethiopia should be considered to come up with better ways of financing the poor. Hence, this study can be used as a reference on future condominium construction projects to improve the satisfaction of the residents.

Keywords: Condominium Housing, Affordability, Satisfaction, Quality, Public Facility, Infrastructure.

CHAPTER-ONE

Introduction

1.1 Background of the Study

Population growth, migration, and urbanization are straining the ability of many governments to provide people with basic services (Wilsoncenter). The stagnant nature of economic development and rapid population growth of most of the developing countries makes effective and efficient service delivery difficult for governments, to satisfy the need of their residents. Housing is one of the basic necessities for human survival; despite it remains for long period as a critical problem of most of the cities of developing countries (Azeb, n.d.).

Ethiopia is a developing country located in Eastern Africa. It has a total surface area of 1,104,300 square kilometers. It has a total population of 101,853,000; out of which 3,238,000 live in Addis Ababa, the capital city (UN, 2016). Urban population consists of 19.5 per cent of the total population as of 2015. The annual population growth rate is 2.5 per cent. The annual rate of urbanization is 4.9 per cent. The population using improved sanitation is 27.2 per cent in urban areas; almost equal to rural areas which is 28.2 per cent (UN, 2016). The combination of high population and urban growth rates, coupled with a high prevalence of urban poverty, has placed enormous strain on Ethiopian cities, especially when it comes to affordable housing (Development Workshop Angola).

The Integrated Housing Development Program (IHDP), one of Africa's most ambitious urban initiatives to date, was implemented in 2005. Introduced against the background of a massive shortage of low- and middle-income housing, the program is characterized by its large scale, socially inclusive and integrated approach. A distinctive feature of the initiative was its ambitious incorporation of multiple objectives besides drastically increasing the supply of housing. The program also targeted the redevelopment and privatization of public housing, the maintenance of the livelihoods of the poor in the city centre, the promotion of effective use of scarce land and the use of low-cost construction technology. Furthermore, the initiative also

sought to facilitate housing finance through simple and affordable payments, stimulate job opportunities by promoting micro and small enterprises and enhance the collaboration between the public and private sectors (Regenerating and Greening the City, 2014).

Gebeyehu et al (as cited in Mahder, 2013) argues that urbanization being twentieth century demographic phenomena, more and more people are changing residence from rural to urban areas. Studies have shown that increasing proportion of the population prefer large cities, big towns and a nearby administrative capitals. The growth of an urban center can take place in different form by growth of the existing urban localities, by classification of cities (from rural to urban areas) and annexations of new territory to existing cities and by demographic change, i.e. natural increase and migration effect. Many of the urban centers in Ethiopia have already faced one of these types of growth or a combination of them.

The vast majority of Ethiopians live in poorly built, dilapidated and cramped houses which lack even the basic facilities, such as toilets. Only 30 per cent of the current housing stock in country is in a fair condition, with the remaining 70 per cent in need of total replacement. In the capital Addis Ababa, 80 per cent of the houses are in poor condition and below standard. Houses in slum areas are old and dilapidated and too narrow to accommodate families, where the health and dignity of families is compromised. Most families who live in dilapidated homes in slum areas share toilets that are also in very poor condition. 24 per cent of the households do not have any form of toilet facility and 63 per cent use shared pit latrines. 25 per cent of the solid waste generated from the city is left unattended. Poor families do not have toilets at all or use bad toilets that are nearly abandoned (Habitat for Humanity).

The 10/90 Housing Program is specially designed for the poorest of the poor, whose income is below 1200 Birr. So, this study will assess the satisfaction of the residents of the 10/90 program houses with respect to pay structure, public facilities and general housing conditions.

1.2 Statement of the Problem

The combination of high population and urban growth rates coupled with a high prevalence of urban poverty have placed enormous strain on Ethiopian cities. 80 per cent of the population lives in sub-standard slum housing that needs either complete replacement or significant upgrading. Ethiopian cities suffer from a high degree of homelessness, environmental degradation, urban decay, a shortage of infrastructure and basic services, and high unemployment (UN-HABITAT, 2011)

UN-HABITAT (2011) states that from the 80 per cent of Addis Ababa which is a slum, 70 per cent comprises government owned rental housing. There is massive demand for serviced, healthy, affordable housing. This demand stems from both the current housing deficit and the poor quality of the existing kebele housing stock that is beyond repair (UN-HABITAT, 2011).

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

According to the IHDP, 30 per cent of units are allocated to women. There are no special provisions for the elderly or disabled, although if their name is drawn in the lottery they have first choice in choosing a ground floor condominium. Presently, there is no income verification system in place, but lottery entrants must be able to prove that they have lived in Addis Ababa

for at least 6 months (decreased from the 2 year period initially set) and that they do not presently own property.

Whilst the IHDP Has the impressive aim of targeting the low-income sector of the population, unfortunately experience has shown that the poorest of the poor are not benefiting from the IHDP due to inability to afford the initial down-payment (UN-HABITAT, 2011). Furthermore, due to the location of the sites on the periphery of Addis Ababa, the burden on the residents has increased in the form of increased transportation costs.

The prevalent practice by condominium owners of renting out their units to wealthier households does not meet the original aim of improving the living conditions of the low-income sector of the population by directly providing them with affordable housing doesn't consider the income of inhabitants so posed the introduction of flexible down-payment and early saving system. Agazi and Alula (2013) surveyed the affordability of the down-payment and the result showed that 73.1 per cent of the respondents cannot afford the down-payment; while only 22.2 per cent said they can afford it. Kidst(2016) attributed the unaffordable housing condition to the low quality of the houses; which were made of substandard quality materials. Tsion(2016) also notices problems like poor water supply, lack of open space, and insufficient room size.

The IHDP promised arrangement of different methods of payment to enable inhabitants become house owners. But a study by Ezana (2011) found that although the people in the Lideta development area were promised that they could make the down-payment in three installments, but the arrangement could not work because the bank said it was against the policy framework.

This research project assesses conditions of the 10/90 condominium housing program. This is a fresh study area. Besides, this study combines aspects of the satisfaction of residents with the houses which combines aspects of construction quality, affordability, and basic facilities alongside the condominium houses.

1.3 Objective of the Study

1.3.1 General Objective

The general objective of the study is to assess the Addis Ababa 10/90 Condominium Housing Projects in satisfying the needs and expectations of the residents.

1.3.2 Specific Objectives

Under the general objective stated above, this study has tried to meet the following specific objectives:

- To look into the satisfaction of the residents with respect to the housing conditions and facilities installed along with the transferred houses.
- To examine the proximity of the houses to public facilities like public schools, medical centers, transportation services.
- To assess the methods of payment arrangements with pay capacity of the beneficiaries.

1.4 Research Questions

- What is the satisfaction level of the residents in terms of the housing conditions and facilities installed along with the transferred houses?
- Are basic public facilities like schools, medical centers, transportation services, market places accessible for the residents?
- Does the project consider the pay capacity of its beneficiaries?

1.5 Scope of the Study

Condominium houses are being constructed in different parts of Ethiopia. However, this research focuses on the 10/90 housing projects in Addis Ababa. According to Belli et al. (1998), projects should be analyzed from different perspectives from early in the project cycle and used throughout the project and may also include post implementation analysis.

Satisfaction can be assessed from every aspect of living conditions. However, this research project assesses satisfaction of the residents in terms of affordability, construction quality, infrastructure, quality of accessories and proximity to public utilities.

1.6 Significance of the Study

The study assesses the satisfaction of the residents of the 10/90 condominium housing projects. This study is designed to assist all levels of government in developing sound policies regarding the satisfaction of the residents with the provided houses. This study can be used as an evaluation document by the AACHPO and AAHDA, if the project deliverables were as to the need and expectation of the end users (residents). The findings and recommendations can also be used for condominium housing projects in the other regional states of Ethiopia. In general, the findings of this research project can be used as a reference material by policy makers, planners and practitioners.

1.7 Organization of the Study

This research project is organized in five chapters. The first chapter discusses introductory part of the research. Chapter two presents the review of concepts based on the existing studies on the matter under investigation. Chapter three explains about the methodology of the research and description of the study area. The fourth chapter discuss about results and discussion. The last chapter summarizes the findings, makes conclusions and forwards some recommendations based on the findings.

CHAPTER-TWO

Review of Related Literature

2.1. Introduction

This chapter deals with the theoretical and empirical evidences of the study area. In addition, basic concepts and terms used in the study will be discussed. The empirical evidence that guides the study is provided lastly.

2.2. Definition of Basic Concepts and Terms

Condominium Housing: a type of real estate divided into several units that are each separately owned, surrounded by common areas jointly owned. The owners of the individual units collectively own the common areas of the property, such as hallways, walkways, laundry rooms, etc.; as well as common utilities and amenities, such as elevators, and so on. The common areas, amenities and utilities are managed collectively by the owners through their association, such as a homeowner association.

The Federal Negarit Gazeta of FDRE under Proclamation Number 370/2003 defines condominium as follows:

“Condominium means a building for residential or other purpose with five or more separately owned units and common elements, in a high-rise building or in a row of houses, and includes the land holding of the building.”

Satisfaction: fulfillment of one’s wishes, expectations, or needs or the pleasure derived from this.

Quality: the totality of features, and characteristics of a product or service that bears its ability to satisfy stated needs.

Affordability: the extent to which the cost of something is within the pay capacity of the purchaser.

Public facility: the facilities provided to the people by the government that are important to sustain and lead a comfortable life.

2.3. The Concept of Condominium Housing

The concept of condominium is quite old. It was during the Middle Ages, when walls were constructed to enclose cities in order to provide security, that building space became even scarcer in many European cities. This lack of space led to individual ownership of parts of a building, sometimes even individual ownership of single rooms, in cities such as Orleans and Paris. Ownership of floors of houses, and even rooms, in the hand of different persons was common in various parts of Europe. The condominium concept of home ownership became especially widespread in the French cities of Nantes, Saint Malo, Caen, Rouen, Rennes, and Grenoble. “In Rennes a catastrophic fire in 1720, which destroyed most of the city, forced inhabitants to build under a new system of wider streets and taller, multi-family buildings. The condominium concept spread to other European countries and, eventually, to other parts of the world as Europeans immigrated to other continents. Among the industrialized countries, the United States was the last to embrace the condominium concept. The first attempt in the United States or its territories to develop condominiums was the Horizontal Property Act of Puerto Rico, passed in 1948, utilizing a model statute developed by the Federal Housing Authority. After World War II, essentially the only type of commonly owned housing that was available to the general population was the cooperative (Berhanu & Adane, 2012).

2.4. The Housing Program in Ethiopia

Ethiopia launched the second five year national strategic plan named as Plan for Accelerated and Sustained Development to End Poverty (PASDEP) in 2005/06. The urban strategy, in PASDEP, involves an approach that integrates initiatives to address poor housing quality, housing shortages and reduce slum areas in Ethiopia’s main cities by 50% by launching a national Integrated Housing Development Program that scales up Addis Ababa’s initiative, based on lessons learned, and which integrates public and private sector investment with

micro enterprise development and provision of basic services. The integrated housing development program is the eighth core component of the PASDEP plan. The program is initiated by the Ministry of Works and Urban Development (MWUD) in 2005 with the aim of increasing housing supply for the low-income population, recognizing existing urban slum areas and mitigating their expansion in the future, increasing job opportunities for micro and small enterprises and unskilled laborers, which will in turn provide income for their families to afford their own housing and improving wealth creation and wealth distribution for the nation. IHDP is developed for all slums to be cleared within ten years time and for Ethiopia to be a middle-income country by 2025 (MWUD, 2007). In particular, the program envisages the utilization of housing as an instrument to promote urban development, create jobs, revitalize the local urban economy through MSEs development, encourage saving and empower urban residents through property ownership, and develop the capacity of the domestic construction industry (MWUD, 2007).

2.5. IHDP (Integrated Housing Development Program)

Since 2005 Ethiopia has been implementing an ambitious government-led low- and middle-income housing program: The Integrated Housing Development Program (IHDP). The initial goal of the program was to construct 400,000 condominium units, create 200,000 jobs, promote the development of 10,000 micro and small enterprises, enhance the capacity of the construction sector, regenerate inner-city slum areas, and promote homeownership for low income households (UNHABITAT, 2011).

The IHDP has been successful in many respects. The program has greatly increased the number of homeowners that would never otherwise have owned a home within their lifetime, and, in parallel, has benefited the housing market by increasing the supply of owner occupied housing and rental units. The program has also built the capacity of the construction sector, addressed the existing slums and been a significant generator of employment opportunities (UNHABITAT, 2011).

2.6. Challenges of Integrated Housing Development Program

There are, however, a number of unanticipated challenges facing the program. The most pressing is the affordability of the units for low-income households, with the cost increases in the price of condominium houses deeming them no longer an option for many low-income households (UNHABITAT, 2011). This is also shared by Solomon (2014) stating that the major failure of the program was not to incorporate the poorest of the poor, due to difficulty to fulfill the minimum upfront payment, which is set as requirement. According to MoFED (2013) in urban Ethiopia, in 2010/11, despite the fact that the number of people living in poverty has fallen, there is still a worrying concern that the indicator of severe poverty did not fall since 2004/5, rather it increased. This means that the poorest of the poor are not significantly seeing the benefits of growth and government policies to reduce poverty, so efforts must increase in order to incorporate them into the program. (MoFED, 2013)

The IHDP has been playing an important role in line with developing the inner city and addressing the middle and low income section of the inhabitants. Decayed houses that need replacement, upgrading and renewal program are very crucial especially in the inner city of the town. The informal settlements, which needs regularization and providing infrastructure services is also the other aspect of housing development problems.(Tameru, n.d.)

The Addis Ababa city administration launched grand low cost condominium housing projects through the Integrated Housing Development Program (IHDP) in 2006 to minimize housing backlog, slums, and to provide decent shelter to middle and low income groups. The Addis Ababa city government designed condominium housing project as a response to acute housing shortage in the city due to unaffordability problems and the ever increasing gap between the demand and supply of housing in the city (Ingwani et al, 2010).

2.7. Affordable Housing

Affordability of housing refers to the amount of capital one has available in relation to the price of the goods to be obtained. Income is the primary factor, not price and availability that determine housing affordability. (Wikipedia)

2.8. Construction Cost

Regardless of the economic condition of a developing country attempting to meet its national housing needs, it is evident that in the selection of housing schemes, the questions of the economy remain the primary consideration because construction of houses requires considerable investment of capital. As a result, there is a great need to reduce building cost with the help of optimum utilization of building materials that are scarce and costly. Speed in construction is also to be brought about so that construction is completed in a short time as possible and the houses are ready for early occupation with relatively less cost (Berhanu & Mesfin, 2012).

The conceptual review with respect to cost saving mechanisms is addressed from two aspects, namely construction technology aspect and construction management aspect. Besides these two construction aspects are interconnected, a good management skill helps not only to retain the cost saving mechanisms considered during the design phase but also to achieve additional cost saving and quality techniques. However, if the project is not well managed it may cost additional amount and may become more expensive than the conventional construction method. What we want to say is that though the cost reduction techniques are interrelated, greater attention should be given to the construction management that encompasses the inception till completion of the project. (Ibid)

2.9. What is Adequate Housing?

Adequate housing was recognized as part of the right to an adequate standard of living in the 1948 Universal Declaration of Human Rights and in the 1966 International Covenant on Economic, Social and Cultural Rights. There are conditions that must be met before particular forms of shelter can be considered to constitute adequate housing. These elements are just as fundamental as the basic supply and availability of housing. Among the minimum criteria to fulfill adequate housing are: security of tenure, availability of services, materials, facilities and infrastructure, affordability, accessibility, location, and cultural adequacy (OHCHR, 2009).

However there are some common misconceptions about the right to adequate housing. One of the most common misconceptions associated with the right to adequate housing is that it requires the state to build housing for the entire population, and that people without housing can automatically demand a house from the government. While most governments are involved to some degree in housing construction, the right to adequate housing clearly does not oblige the government to construct a nation's entire housing stock. Rather, the right to adequate housing covers measures that are needed to prevent homelessness, prohibit forced evictions, address discrimination, focus on the most vulnerable and marginalized groups, ensure security of tenure to all, and guarantee that everyone's housing is adequate. The right to adequate housing does not just mean that the structure of the house itself must be adequate. There must also be sustainable and non-discriminatory access to facilities essential for health, security, comfort and nutrition. For example, there must be access to safe drinking water, energy for cooking, heating, lighting, sanitation and washing facilities, means of storing food, refuse disposal, site drainage and emergency services (Ibid).

Tilahun as cited in Jemila(2010) found that one of the main problems in providing adequate housing is the difficulty to make adequate investment in it due to shortage of resources particularly financial resources. State obligations fall into three categories, namely the

obligations to respect, protect and fulfill. The obligation to respect requires states to refrain from interfering directly or indirectly with the enjoyment of the right to adequate housing. The other is the obligation to protect, which requires states to prevent third parties from interfering with the right to adequate housing. States should adopt legislation or other measures to ensure that private actors-e.g., landlords, property developers, landowners and corporations-comply with human rights standards related to the right to adequate housing. States should, for instance, regulate the housing and rental markets in a way that promotes and protects the right to adequate housing; guarantee that banks and financial institutions extend housing finance without discrimination; ensure that the private provision of water, sanitation and other basic services attached to the home does not jeopardize their availability, accessibility, acceptability and quality; ensure that third parties do not arbitrarily and illegally withdraw such services; prevent discriminatory inheritance practices affecting women's access to and control over housing, land and property; ensure that landlords do not discriminate against particular groups; ensure that private actors do not carry out forced evictions. The last obligation is the obligation to fulfill, which requires states to adopt appropriate legislative, administrative, budgetary, judicial, promotional and other measures to fully realize the right to adequate housing. States must, for instance, adopt a national housing policy or a national housing plan that: defines the objectives for the development of the housing sector, with a focus on disadvantaged and marginalized groups; identifies the resources available to meet these goals; specifies the most cost-effective way of using them; outlines the responsibilities and time frame for the implementation of the necessary measures; monitors results and ensures adequate remedies for violations (OHCHR, 2009).

2.10. Economic Status and Housing

Poverty is pronounced deprivation in well-being. Lack of income and assets to attain basic necessities, lack of access to education and other basic services, and vulnerability to adverse shock are the main causes of poverty. The Government of Ethiopia believes that development should effectively address such deprivations of the society (MoFED, 2013). In

addition, there should be additional and much concerted efforts to identify those households that are suffering in both chronic and severe poverty. Such households are clearly not adequately benefiting from the increasing prosperity and poverty reduction that is happening in Ethiopia. This would mean careful analysis of what are the barriers to such households' participation both in economic growth and in the various schemes of poverty reduction and social protection (MoFED, 2013).

Affordable and stable housing has been linked with improving health, education and economic outcomes for families and children. Many studies show that stable housing is both a foundation for well-being as well as a platform for connecting people to services and resources that include quality health care centers and schools and other facilities. When housing is stable and affordable, families can spend more time and resources on medical care, nutritious food and the like. Homeownership increases housing security to families: it gives more control to owners over their physical surroundings, lowers real monthly payments over time, protects against unanticipated changes in rental costs, and helps build wealth. Homeownership also provides a ready mechanism for families to borrow money and get credit to improve their home, make purchases or invest in education or the financial markets. It is also argued that these benefits are available to all homeowners regardless of economic status (Mahder, 2013).

Over 90 percent of households in Ethiopia own their homes. However, differences are visible between urban and rural areas, with almost all rural households living in a house that they own (97.3%), whereas just over half of urban households do (54.6%) (MoFED, 2013).

Shelter problems are mainly related with the low purchasing capacity of the inhabitants and the ever-increased cost of construction of housing (Tameru, n.d.). The majority of the population 82.84% earning capacity is below 126.05 USD per month. The monthly pay back of small size of condominium houses requires 66% of the salary of low income society, which is very high when compared to 30%, the standard maximum proportion of income spent on housing (Tameru, n.d.).

50% the population of Addis Ababa is living under the UN set poverty line (less than two dollars income per day). The unemployment rate of the city is near to 42%. Low and unreliable source of income, limited financial resources, and engagement in home-based micro businesses and other informal economic activities characterize life for most of the city dwellers (UN-HABITAT, 2011).

Kidist (2014), assessed the performance of the IHDP in Addis Ababa and found that; although the government set low cost houses to low and middle income people but the results of the survey shows low income people were not benefiting from this program, due to problems in both registration and distribution process.

The Welfare Monitoring System in Ethiopia arose as part of the objective of observing the effectiveness of the policies and strategies pursued on poverty eradication in Ethiopia and building the analytical capacity of the government to monitor and evaluate such effects (MoFED, 2013).

2.11. Conceptual Framework

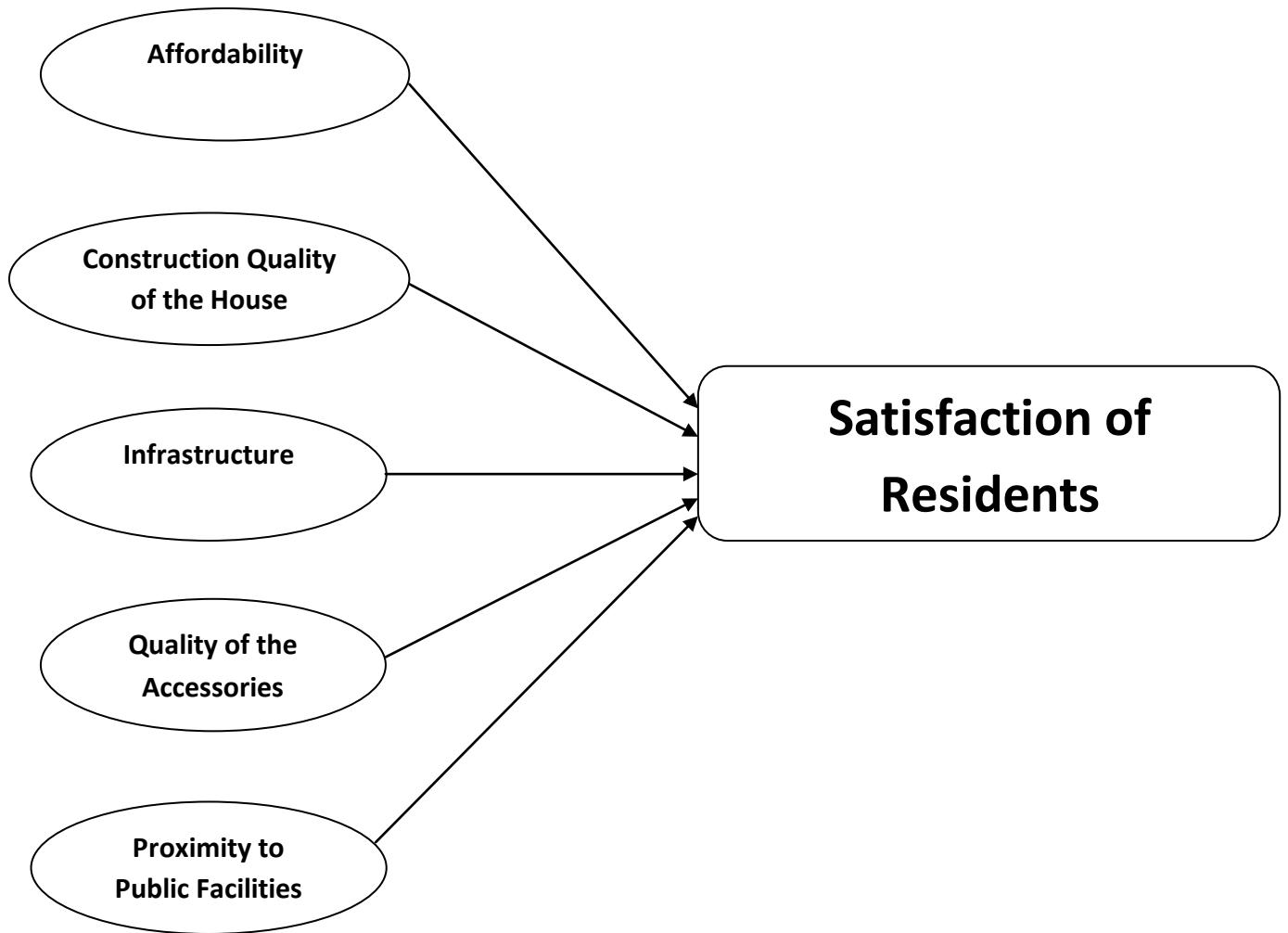


Figure 2.1: Conceptual Framework

Source: Own Source.

CHAPTER-THREE

Research Methodology

This chapter presents a brief description of the study area. It describes the sample design, the target population, data sources, methods of data collection and data analysis, sampling techniques and ethical considerations that were considered during data collection.

3.1. Design and Approach

This research project assesses the effectiveness of the Addis Ababa Condominium projects in fulfilling the needs of the residents with special emphasis on the 10/90 condo projects. The research design used is a mixed approach; which incorporates both qualitative and quantitative approaches.

3.2. Data Collection Methods

Survey method was used as a primary data collection method. Questionnaires were prepared and distributed to residents of the 10/90 condo houses. The questionnaire is combination of both open and closed questions. According to Dawson (2009) by using combination of both open and closed questions, it is possible to find out how many people use a service and what they think about that service on the same form. Many questionnaires begin with a series of closed questions, with boxes to tick or scales to rank, and then finish with a section of open-questions for more detailed response. Besides, interviews were held with AAHDA and AACHPO officials and officials from Commercial Bank of Ethiopia. The researcher used data collectors as the geographical location of the sites was different. The data collectors were given explanation about the study objective and training on the content of the questionnaire also was given to the data collectors.

The respondents have been proposed because of their attachment to the study area one way or another. Their relation is presented below:

- Residents: these are beneficiaries of the project and the effectiveness of the project should never be seen by disregarding their involvement.
- Housing Development Office Employees at respective sub cities: beneficiaries are registered at these offices and these officials filter those who are qualified for the program. Then, the houses are transferred to residents from these offices. In addition, any complaints regarding the houses during transfer are forwarded to these offices.
- Commercial Bank of Ethiopia officials: these officials are involved in tracking the saving conditions of the respondents and finally releasing the loan for the beneficiaries.

3.3. Population and Sample Design

The target population is the residents of the 10/90 condominium projects. These condominium projects constructed in Addis Ababa in three sub cities: Akaki Kality, Bole, and Yeka. A total of seven sites are constructed for the project. The sites are “Bole Arabsa”, “Kilinto”, “Kuye Fete”, Project 11, Project 14, Project 15, and “Yeka Abado.” The total number of constructed houses is 23016. Out of these houses, 17,248 houses have been transferred to beneficiaries.

So, the population is those households who have received the houses; which is 17,248. Each sub city is given weight based on the proportion of households it holds from the 17,248. Therefore, stratified proportional sampling technique was used to allocate the number of respondents from each sub city. Then, the allocated number of respondents will be divided to the number of building blocks in the site. Each floor will have equal weight. Then simple random sampling technique was used to seek out the allocated number of respondents from the floors. Sunday has been chosen as a questionnaire give out date. The researcher has chosen Sunday because of the following reasons:

- All parts of the society can be found (employees, business people, unemployed,...)
- Students do not have school on Sunday; therefore they can help the researcher in filling the questionnaires for their family members who cannot read and write.

According to “The Research Advisors”, many researchers suggest that it is adequate for the confidence interval to be 95% and the margin of error to be 5%. The sample size is determined using spreadsheet² designed by “The Research Advisors”. According to the spread sheet the minimum sample is size is 378 households and determined using the following formula:

$$n = \frac{X^2 * N * P * (1-P)}{(ME^2 * (N-1)) + (X^2 * P * (1-P))}$$

Where :

n = sample size

X² = Chi – square for the specified confidence level at 1 degree of freedom

N = Population Size

P = population proportion (.50 in this table)

ME = desired Margin of Error (expressed as a proportion)

Table 3.1: Sample Computation

No	Sub City	Total Number of Household A	Proportion of Sub City Household to Total Transferred Houses b =(a / 17248)	Sample Size b x 378
1	Akaki Kality	8,354	0.48	181
2	Bole	8,034	0.47	178
3	Yeka	860	0.05	19
	Total	17,248	1.00	378

Source: Own Computation (2017)

² The spreadsheet has been presented at the Appendix part.

3.4. Source of Data

In this research project, both primary and secondary data sources were used. The primary data were collected through questionnaire and interview. The questionnaires were filled by the respondents of the 10/90 condominium houses. The interviews were held with officials from AAHDA, AACHPO and Commercial Bank of Ethiopia. The secondary data sources are published and unpublished documents from AAHCPO, AAHDA, and respective sub cities' housing development agencies.

3.5. Methods of Data Analysis

Both qualitative and quantitative methods of data analysis were used. In particular, descriptive method was applied to analyze and explain the results of the data. An SPSS (Stats Statistical Package for the Social Sciences) 22.0 version was used to analyze the data. Tables, figures, percentage and graphs will be used to present the results of the data.

3.6. Validity and Reliability Tests

The major data collection instruments to be employed in this research project are questionnaire and interview; which were checked for validity by pre-testing the instruments with selected sample respondents and then modifying the questionnaire and interview questions on the basis of the feedbacks from respondents.

Cronbach's Alpha is a tool for measurement of internal consistency of a test or scale. The acceptable value of Alpha ranges from 0.70 to 0.95 (Tavakol and Dennick, 2011). The closer the reading of Cronbach's Alpha to 1, the higher the reliability in internal consistency. According to Zikmund et al. (2007), scales with coefficient Alpha between 0.6 and 0.7 indicates fair reliability. The researcher conducted Cronbach's Alpha test using SPSS (Statistical Package for the Social Sciences) and found all values of Cronbach's Alpha greater than 0.6 as shown in table 3.2 below.

Table 3.2: Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Affordability	0.714	5
Construction Quality of the House	0.629	15
Infrastructure Provision	0.671	8
Quality of Accessories	0.723	8
Proximity to Public Facilities	0.694	5

Source: Own Survey (2017)

3.7. Ethical Considerations

A letter of introduction from Addis Ababa University, College of Business and Economics, School of Commerce was given to interviewees and a copy of letter of support was attached on the questionnaires. Participants of the study were informed about the objectives of the study emphasizing that the data will be used only for the intended academic purpose. A statement that clearly indicates that their participation is only in voluntary basis and not to include their names and address on the questionnaire has been marked on the questionnaires. And also interviewees were addressed to be part of this study only up on their willingness and full collaboration. Careful attention has been given in respecting the rights, needs, and moral of the participants; and maintaining confidentiality of the data and acknowledging sources of information.

Chapter-Four

Data Presentation, Analysis and Interpretation

4.1. Introduction

The aim of this research project is to assess the Addis Ababa 10/90 Condominium Housing Projects in satisfying the needs of the residents. This chapter presents analysis and interpretation of the findings gathered both from primary and secondary sources.

In order to assess the satisfaction of the residents, the researcher has presented and analyzed the collected data in three aspects. One, data regarding the satisfaction of the residents with respect to the housing conditions and facilities installed along with the transferred houses is presented. The second part looks at data regarding the proximity of the houses to public facilities like public schools, medical centers, transportation services, and market places. The last part presents assessment of the methods of payment arrangements with pay capacity of the beneficiaries.

A total of 378 questionnaires were distributed in three concerned sub cities. Out of these 271 (71.69 percent) questionnaires were filled and returned in time. According to Dawson (2002), if non responses are encountered the majority shall be taken. In addition, in-depth interview was conducted with housing officials from Ministry of Urban Development and Housing (MUDH), Addis Ababa Housing Construction Project Office (AAHCPO) and officials from Addis Ababa Housing Development Agency.

4.2. Demographic Feature of the Respondents

This part of the study shows the demographic characteristics of the study population of the selected area. The demographic feature of the respondents includes age structure, gender composition, marital status, educational level and household size.

Table 4.1: Demographic Characteristic of the Respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	161	59.4	59.4	59.4
	Female	110	40.6	40.6	100.0
	Total	271	100.0	100.0	
Age Group	Under 24	2	.7	.7	.7
	25-40	210	77.5	77.5	78.2
	41-55	58	21.4	21.4	99.6
	65 and above	1	.4	.4	100.0
	Total	271	100.0	100.0	
Marital Status	Single	55	20.3	20.3	20.3
	Married	188	69.4	69.4	89.7
	Widowed	28	10.3	10.3	100.0
	Divorced	0	0	0	100.0
	Total	271	100.0	100.0	

Source: Own Survey (May, 2017)

As can be seen from the table above, out of a total of 271 respondents, 161 (59.40 %) were male and 110 (40.60%) were female. With regard to age of the respondents, the largest age group is 25-40 years accounting for 77.5 percent of all respondents; followed by the age group 41-55 years. Those below 24 years old comprise 0.7 percent of the respondents. There was only one respondent (0.40%) aged above 65 years. Regarding the marital status of the respondents, 188 of total respondents (69.4%) were married; 55 were single (20.3%); while the rest 28 (10.3%) were widowed.

4.3. Ownership Structure of the Houses

Table 4.2: Current and Previous ownership title of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Current Ownership Title	Own House	237	87.5	87.5	87.5
	Rented House	34	12.5	12.5	100.0
Previous Ownership Title	Own House	0	0.0	0.0	0
	Rented House	271	100.0	100.0	100.0

Source: Own Survey (May, 2017)

As can be seen from table 4.2 above, 87.5% (237) of the respondents are living in their own houses, whereas 12.5% (34) are living in rented houses.

All the respondents were previously living in rented houses. These rented houses were privately owned. Those who were living in kebele houses were not observed. A discussion with a respondent seems to be a viable answer. The respondent told the researcher that he knows people living in kebele houses and there is significant difference between the payment they are currently paying in kebele houses and the payment they would pay if they move to these condominium houses. This has also been agreed by Jemila (2010), stating that residents who used to live kebele house are forced to pay high monthly installment for the condominium houses compared to their previous payment and this forced the lottery winners to retreat from claiming their ownership.

4.4. Affordability of the Houses

Among the objectives of housing development program is to enable urban dwellers with low and medium income own houses (MUHC, 2010). Specifically the 10/90 targets the poorest of the poor. The table below presents the reasons of the respondents for applying specifically to this housing program. Only those living in their own houses were surveyed.

Table 4.3: Number of Expected and Registered Applicants

Projected Number of Registrants	Number of Registered Applicants	Number of Applicants who have taken keys
23016	19984	17248

Source: AAHDA

The government initially built 23016 houses. As to an officer at AAHDA, it was expected that the houses will not be enough and other rounds of construction would continue. However, the number of registered applicants was 19984 (87% of the expected registrants). According to UNHABITAT (2011), the current housing deficit is between 900,000 and 1,000,000 units in urban areas, and that only 30 per cent of the current housing stock is in a fair condition, with the remaining 70 per cent in need of total replacement. In Addis Ababa alone, 300,000 units are required to meet the deficit. It is apparent that for sure the 23016 constructed houses would not be enough to meet this deficit. Besides, from the registered applicants; 2376 (14%) have dropped out due to failure to save the required amount of deposit.

Table: 4.4: Reason for Applying for the Program

		Frequency	Percent	Valid Percent	Cumulative Percent
Affordable Housing	Yes	210	77.5	88.6	88.6
	No	27	10.0	11.4	100.0
Better Facilities	Yes	60	22.1	25.3	25.3
	No	177	65.3	74.7	100.0
Better quality housing	Yes	136	50.2	57.4	57.4
	No	101	37.3	42.6	100.0
Freedom of own house	Yes	237	87.5	100.0	100.0
	No	0	0.0	0	0

Source: Own Survey (May, 2017)

From the total owners (237), 210 (88.6%) applied for affordable housing, while the rest were skeptic about the affordability of the houses. This was due to previous trends in the construction of “low cost housing” projects.

In terms of better facilities, only 25.3% of the respondents expected better facilities from their previous ways of living. UNHABITAT (2011) stated that many condominium sites are located on the periphery of the city. The respondents also noticed this issue; so they did not expect much in terms of better facilities.

Inferior quality in the construction of the houses was noticed by previous researchers. UNHABITAT (2011) found that the condominiums transferred have been criticized for their substandard quality. Majority of the respondents (57.4%) expected better quality housing. One respondent said, “at least we have our own private kitchen and toilet.”

What all respondents agree on is that they wanted for the freedom of own house. As previously stated all the respondents did not have their own houses.

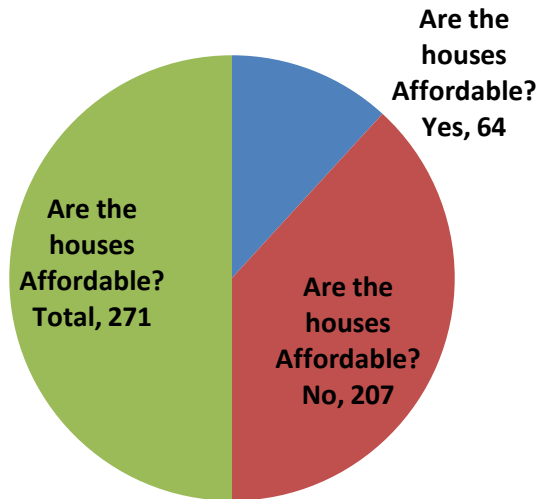


Figure 4.1: Respondents' response on Affordability.

Source: Own Survey (May, 2017)

From the figure above, only 64 (24%) of the respondents rated the house as affordable. The rest 207 (76%) respondents are not satisfied in terms of affordability. This was attributed to financial pressure to pay the down payment, monthly repayment, and higher charges by banks.

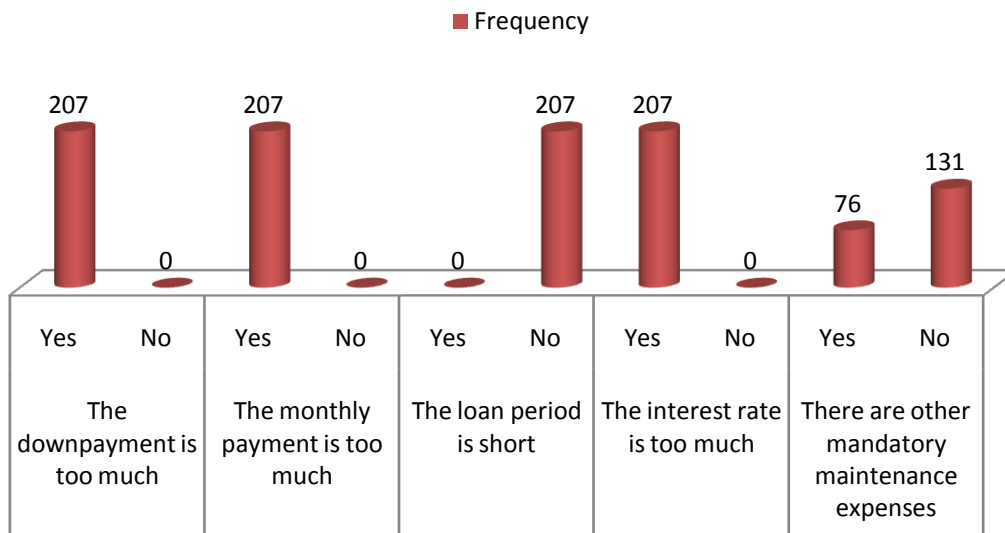


Figure 4.2: Reasons for financial difficulties

Source: Own Survey (May, 2017)

All respondents complained about high down payment, high monthly repayment, and higher interest.

Table 4.5: Self Capability to Pay the Down payment and Source of Payment

		Frequency	Percent	Valid Percent	Cumulative Percent
Self Capability to Pay the Down payment	Yes	48	17.7	20.3	20.3
	No	189	69.7	79.7	100
	Total	237	87.5	100	
Source of Payment for the Down Payment	Borrowed from relatives/friends	189	69.7	100.0	100.0

Source: Own Survey (May, 2017)

As can be seen from the table above, 79.7 percent of the respondents were incapable to pay the down payment by themselves. Only 20.3 were able to pay the down payment by themselves. This housing program was reserved for the poorest sections of the society. Those who could not afford to pay by themselves borrowed from friends and relatives. The main reason for why these respondents did not look for the formal financial sector was that the formal financial sector requires collateral to lend money and these respondents had no collateral at hand.

Table 4.6: Previous monthly Rental Payment

	N	Minimum	Maximum	Mean
Previous Rental Payment	237	450.00	1500.00	776.1603

Source: Own Survey (May, 2017)

As can be seen from the table above, the minimum monthly house rent the respondents used to pay was 450 Birr and the maximum was 1500 Birr. From discussion with officials at AAHDA, the monthly repayment is around 710 Birr. This is comparable to the mean previous rental payment, 776 Birr. After finishing the loan repayment, the residents will have ownership title of the house.

4.5. Housing Conditions

This section presents the view of the respondents regarding the construction quality of the houses, the items installed along with the houses, the proximity of the houses to public service centers.

Table 4.7: Quality of the houses.

		Frequency	Percent	Valid Percent	Cumulative Percent	Mean
How do you rate the quality of the house?	Excellent	0	0.0	0.0	0.0	3.35
	Very Good	23	8.5	8.5	8.5	
	Good	141	52.0	52.0	60.5	
	Poor	97	35.8	35.8	96.3	
	Very Poor	10	3.7	3.7	100.0	
	Total	271	100.0	100.0		

Source: Own Survey (May, 2017)

According to the table above, no respondent has given an excellent rank to the houses. Majority of the respondents ranked the houses good. 97(35.8%) of the respondents ranked the houses poor. This is a very big number. This means almost a third of the respondents are not satisfied with the houses. The weighted mean rank is 3.35, which can be aggregated to “good”. But still a third of the population is a large number to be considered critically.

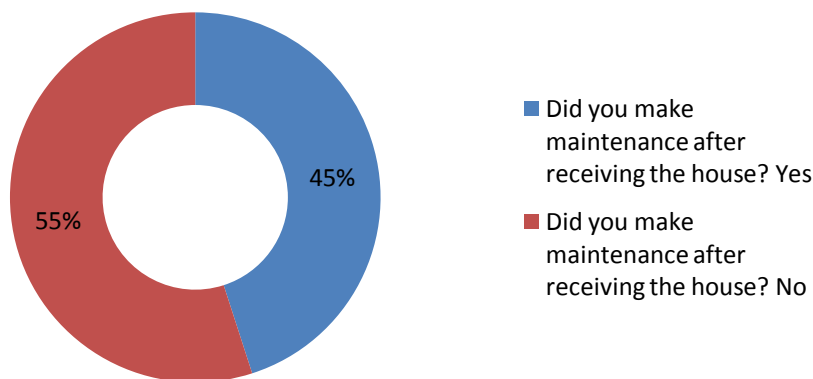


Figure 4.3: Need for Maintenance

Source: Own Survey (May, 2017)

As to the figure above, 45 percent of the respondents made maintenance to the house. The houses have been transferred to beneficiaries within the last two years. But, According to UNHABITAT (2011), it is stated that the expected lifespan of the constructed houses is 100 years. This is doubtful, as almost half of the houses have been maintained.

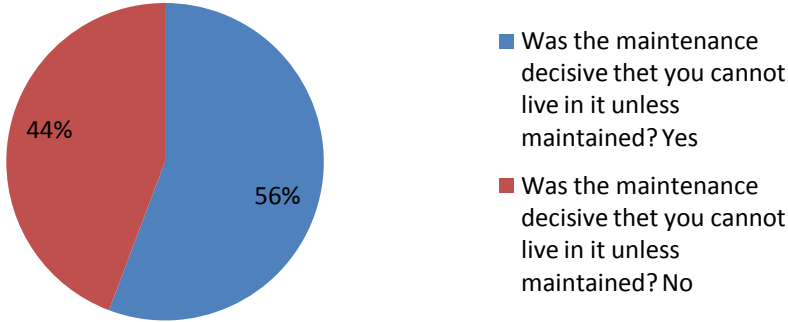


Figure 4.4: Magnitude of the maintenance

Source: Own Survey (May, 2017)

From the overall maintenance, 44% was decisive that people could not live in it. This also incurs additional cost to the residents.

When we come to items installed with the house, as presented in the table below, 214 (80%) of the respondents maintained or replaced items that were initially installed along with the transferred houses. According to Kidst(2015), huge number of condominium houses have been constructed using poor quality or substandard construction materials and finishing items which, in most cases fail to operate immediately up on completion of construction or shortly after they are put in use. This research has also found defects in the quality of the installed items.

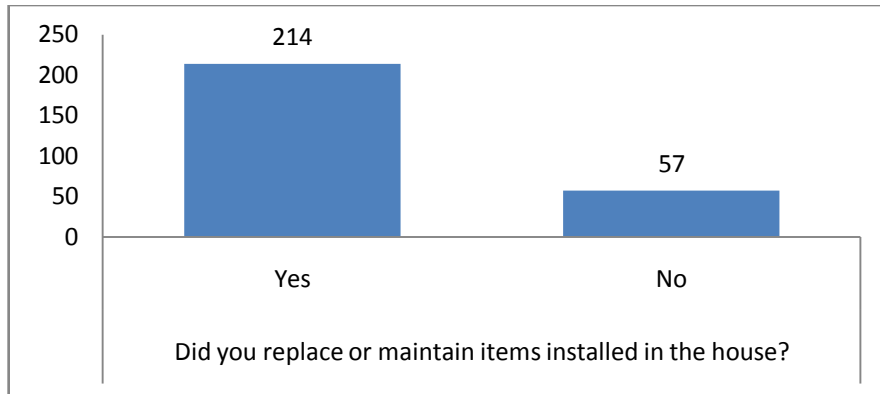


Figure 4.5: Maintenance of Items Installed with the House

Source: Own Survey (May, 2017)

Table 4.8: Reason for maintenance or replacement of Items And Ability of the House to Accommodate Family

		Frequency	Percent	Valid Percent	Cumulative Percent
Why did you replace or maintain items?	Not properly fixed	73	34.1	34.1	34.1
	Malfunctioning	141	65.9	65.9	100.0
	Total	214	100.0	100.0	
Ability of the House to Accommodate Family	Yes	199	73.4	73.4	73.4
	No	72	26.6	26.6	100.0
	Total	271	100.0	100.0	

Source: Own Survey (May, 2017)

As can be seen from the table above, 65.9% of the maintenance or replacement was because the items were completely out of use. The remaining 34.1% was because the items were not properly fixed.

Respondents were also asked to comment on the ability of the houses to accommodate their family. As can be seen from the table above, 73.4% of the respondents were satisfied with the size of the houses. However, 26.6% of the respondents responded that the houses are not enough for their family. From discussion with officials at AAHDA, there is no practice of considering family size while transferring the houses. The transfer is solely lottery based.

Table 4.9: Quality of the accessories installed.

		Frequency	Percent	Valid Percent	Cumulative Percent	Mean
How do you rate quality of kitchen accessories?	Excellent	0	0.0	0.0	0.0	3.09
	Very Good	46	17.0	17.0	17.0	
	Good	158	58.3	58.3	75.3	
	Poor	67	24.7	24.7	100.0	
	Very Poor	0	0.0	0.0	0.0	
How do you rate quality of water taps?	Excellent	0	0.0	0.0	0.0	3.45
	Very Good	69	25.5	25.5	25.5	
	Good	87	32.1	32.1	57.6	
	Poor	38	14.0	14.0	71.6	
	Very Poor	77	28.4	28.4	100.0	
How do you rate quality of waste and water disposal system?	Excellent	0	0.0	0.0	0.0	3.1
	Very Good	84	31.0	31.0	31.0	
	Good	131	48.3	48.3	79.3	
	Poor	2	.7	.7	80.1	
	Very Poor	54	19.9	19.9	100.0	
How do you rate quality of shower and toilet accessories?	Excellent	0	0.0	0.0	0.0	2.89
	Very Good	32	11.8	11.8	11.8	
	Good	237	87.5	87.5	99.3	
	Poor	1	.4	.4	99.6	
	Very Poor	1	.4	.4	100.0	
How do you rate quality of doors and windows?	Excellent	0	.0	.0	0.0	2.97
	very Good	32	11.8	11.8	11.8	
	Good	215	79.3	79.3	91.1	
	Poor	24	8.9	8.9	100.0	
	Very Poor	0	0.0	0.0	0.0	

Source: Own Survey (May, 2017)

From the table above, the mean ranking generally resembles towards 3(Good). None of the categories rated any item “Excellent”. But, when we come to water taps, 28.4% of the respondents rated these items “Very Poor.” The other item rated “Very Poor” is the waste and water disposal system of the houses.

Table4.10: Rating of Problems Faced by Residents

		Frequency	Percent	Valid Percent	Cumulative Percent	Mean
leaking water pipes	Not a problem	148	54.6	54.8	54.8	1.57
	Minor problem	102	37.6	37.8	92.6	
	Moderate problem	9	3.3	3.3	95.9	
	Major problem	11	4.1	4.1	100.0	
cracking walls	Not a problem	77	28.4	28.5	28.5	2.56
	Minor problem	27	9.6	9.6	38.1	
	Moderate problem	107	39.5	39.6	77.8	
	Major problem	60	22.1	22.2	100.0	
water penetration through the walls	Not a problem	130	48.0	48.1	48.1	1.65
	Minor Problem	105	38.7	38.9	87.0	
	Moderate problem	35	12.9	13.0	100.0	
	Major problem	0	0.0	0.0	0.0	
Roof leaks	Not a problem	261	96.3	96.7	96.7	1.07
	Minor problem	0	0.0	0.0	0.0	
	Moderate problem	8	3.0	3.0	99.6	
	Major problem	1	.4	.4	100.0	
Incomplete House	Not a problem	107	39.5	39.6	39.6	1.80
	Minor problem	111	41.0	41.1	80.7	
	Moderate problem	52	19.2	19.3	100.0	
	Major problem	0	0.0	0.0	0.0	
Door frames which are defective	Not a problem	107	39.5	39.6	39.6	1.62
	Minor problem	161	59.4	59.6	99.3	
	Moderate problem	0	0.0	0.0	0.0	
	Major problem	2	.7	.7	100.0	
Leaking drains or toilets	Not a problem	116	42.8	43.0	43.0	1.59
	Minor problem	152	56.1	56.3	99.3	
	Moderate problem	0	0.0	0.0	0.0	
	Major problem	2	.7	.7	100.0	
Water penetration through the Floor	Not a problem	113	41.7	41.9	41.9	1.79
	Minor problem	129	47.6	47.8	89.6	
	Moderate problem	0	0.0	0.0	0.0	
	Major problem	28	10.3	10.4	100.0	

Source: Own Survey (May, 2017)

Most of the possible problems were rated as “Minor Problems”. Roof leaks were almost not a problem according to the respondents. Comparatively the problem noticed was cracking walls, though it has been rated as “Moderate Problem.”

Table 4.11: Incidence of water and electricity power cut

		Frequency	Percent	Valid Percent	Cumulative Percent	Mean
How is the incidence of water shortage?	Always	249	91.9	91.9	91.9	1.22
	Usually	1	.4	.4	92.3	
	Sometimes	4	1.5	1.5	93.7	
	Never	17	6.3	6.3	100.0	
	Total	271	100.0	100.0		
How is the incidence of power cut?	Always	249	91.9	91.9	91.9	1.19
	Usually	1	.4	.4	92.3	
	Sometimes	12	4.4	4.4	96.7	
	Never	9	3.3	3.3	100.0	
	Total	271	100.0	100.0		

Source: Own Survey (May, 2017)

According to the table above, 91.9% of the respondents have no access to piped water, and electricity. The houses have been transferred to the beneficiaries without full infrastructure constructed.

4.6. Proximity of the Houses to Public Facilities

According to MWUD 2010 implementation report, far location from city centers which results in additional cost for infrastructure due to land plot selection not convenient for construction, was a major problem aroused due to mistakes committed during implementation in the selection of land for housing development. UNHABITAT (2011) found that the lack of undeveloped central-city land combined with the initial undesirability to undertake projects in occupied and slum areas led many projects to be located on the periphery of Addis Ababa, which has proven problematic for both beneficiaries’ livelihoods and infrastructure provision. The following table presents how satisfied the respondents are with the proximity of public facilities to their houses.

Table 4.12: Proximity of Public Facilities to the Houses of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent	Mean
Proximity to public schools	Excellent	0	.0	.0	.0	4.19
	Very Good	1	.4	.4	.4	
	Good	19	7.0	7.0	7.4	
	Satisfactory	179	66.1	66.1	73.4	
	Poor	72	26.6	26.6	100.0	
Proximity to public health centers	Excellent	0	0.0	0.0	.0	4.79
	Very Good	0	0.0	0.0	.0	
	Good	1	.4	.4	.4	
	Poor	56	20.7	20.7	21.0	
	Very Poor	214	79.0	79.0	100.0	
Proximity to public transportation facilities	Excellent	10	3.7	3.7	3.7	4.52
	Very Good	2	.7	.7	4.4	
	Good	1	.4	.4	4.8	
	Poor	83	30.6	30.6	35.4	
	Very Poor	175	64.6	64.6	100.0	
Proximity to market places	Excellent	0	0.0	0.0	0.0	4.79
	Very Good	0	.0	.0	0.0	
	Good	2	.7	.7	.7	
	Poor	54	19.9	19.9	20.7	
	Very Poor	215	79.3	79.3	100.0	
Proximity to work place	Excellent	8	3.6	3.6	3.6	4.36
	Very Good	0	0.0	0.0	3.6	
	Good	28	12.7	12.7	16.4	
	Poor	52	23.6	23.6	40.0	
	Very Poor	132	60.0	60.0	100.0	

Source: Own Survey (May, 2017)

All the mean answer of the respondents is within the range of “Poor” and “Very Poor”. The residents are not satisfied with the provision of basic public utilities.

Table 4.13: Source of Income of the Respondents

Employment Type	Frequency	Percent	Valid Percent	Cumulative Percent
Self Employed	110	40.6	40.6	40.6
Government Employee	50	18.5	18.5	59.0
Private Sector Employee	60	22.1	22.1	81.2
Unemployed	51	18.8	18.8	100.0
Total	271	100.0	100.0	

Source: Own Survey (May, 2017)

Besides, as shown in the table below, 51 (18.8%) of the respondents are unemployed. From discussion with these unemployed respondents, all had jobs previously before moving to their new residence. They could not to cover their transportation costs and get employed in the city centers. Moreover, they are not able to rent out their houses because of shortage of basic facilities discussed above.

From the field observation of the researcher, the houses are not fully equipped with infrastructure. The houses have been transferred to beneficiaries a year ago. From discussion with officials from AAHDA, the residents have been given a one year grace period to start their monthly repayments. Some respondents complained that the grace period had to be in effect after the entire necessary infrastructure is completed. The grace period is almost over by now and as can be seen from the picture there are construction works left. The researcher discussed with respondents about this condition. From the discussion, there are people who are paying dual payments; one for their current rental expenses and the other for the monthly installments for the condominium houses.

CHAPTER-FIVE

Summary, Conclusion and Recommendation

Based on the findings of the research project the following conclusions and recommendations have been presented.

5.1. Summary of Major Findings

The major objective of this research project was to assess the satisfaction of residents of A.A 10/90 condominium housing projects.

From the research, the project has not fully satisfied the needs of the residents.

The contribution has been attributed to the difference in the way of life of the residents from their previous norms. The residents were all living in rented houses; now they have become house owners. Besides, they have their own private kitchen and toilet. It can generally be said that the project has improved the way of life of the residents.

However, the project failed to incorporate the targeted number of poor. This has been attributed to financial difficulties by the poor.

The problems raised by the residents were:

- Inferior quality of accessories.
- Distant location of the houses from the city center.
- Poor Infrastructure.
- Financial difficulties to pay the down payment and monthly installments.
- Disregard to family size when allocating the houses to beneficiaries.

5.2. Conclusion

- The program has transformed previous tenants to owners of house. The major reason for why the respondents applied for the houses was for freedom of own house.
- There is still gap in incorporating those who have not registered for the program. Amazingly, there are vacant houses of the program.
- Majority of the respondents are not satisfied in terms of affordability. This was attributed to financial pressure to pay the down payment, monthly repayment, and higher charges by banks.
- All respondents complained about high amount of down payment, high monthly repayment, and higher interest rate by banks.
- Most of the respondents were incapable to pay the down payment by themselves.
- The bottleneck for access to the formal financial sector for the residents is that the formal financial sector requires collateral to lend money and these respondents had no collateral at hand.
- Although majority of the respondents ranked the houses good in terms of quality; a third of the respondents ranked the houses poor. This needs a closer look at the construction aspects of the houses.
- Almost half of the respondents made maintenance to the house; which included decisive ones that people could not live in it.
- In terms of space, a quarter of the respondents responded that the houses are not enough for their family. From discussion with officials at AAHDA, there is no practice of considering family size while transferring the houses.
- Majority of the respondents have no access to piped water, and electricity. The houses have been transferred to the beneficiaries without full infrastructure constructed.
- In terms provision of public utilities, the houses are far from public utilities. This has economic implication in terms of increased transportation cost.

5.3. Recommendation

Based on the findings of the study, the researcher suggests the following recommendations for the program to satisfy the inhabitants of the houses.

- Make infrastructure ready prior to transfer of the houses. The houses can then be transferred to the beneficiaries after the houses are ready and suitable to live in. Constructing the houses near to city centers can be a solution. The land selection should be according to the urban plan with the necessary infrastructure.
- The period of the grace period should start after the houses have been completed and the houses have been ready for living.
- During transfer of the houses to beneficiaries, family size should be considered in a way that larger family size households should be allocated to wider houses.
- Improving the quality of items by implementing strong quality tests.
- There should be strong commitment at all levels of administration to address low income housing at a large scale.
- Developing approaches to address the capabilities of the ‘poorest of the poor’ who cannot afford the condominium houses. Financing of condominium houses should not be limited to CBE. Other financial institutions should also be encouraged to involve in the construction of condominium houses.
- Finally, pre planning and post occupancy monitoring and evaluation of previously built projects should be conducted to learn lessons for correction in future condominium projects. Evaluation should include all stakeholders, especially the residents.

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Appendix

Appendix-1: Questionnaire for Residents

Addis Ababa University

College Of Business and Economics

School of Graduate Studies

MA-Project Management

Questionnaire

Introduction to the Respondent:

This questionnaire is designed by a postgraduate student of Project Management to collect the required primary data to undertake a research project entitled “**Assessment of Residents Satisfaction with Housing Projects in Addis Ababa City Administration**”. Your responses will be kept confidential and have a great deal of importance in increasing the accuracy and reliability of the study so as to draw policy recommendations which may be used as a supportive input for improving the housing program. Although your response is of the utmost importance to me, your participation in this survey is entirely voluntary.

- ❖ **Please do not enter your name or contact details on the questionnaire. It remains anonymous. Information provided by you remains confidential and will be reported in summary format only.**
- ❖ **Should you have any doubt or comments regarding this survey, you are most welcome to contact me through my phone number at 0910 00 75 05.**

Best Regards,

Gosaye Warsa

Direction: Please answer the following questions by marking (✓) in the blocks provided or write down your answers for the open-ended questions.

Section 1: Household Characteristics

1. Gender

Male

Female

2. Age Group

Under 24 years

25-40 years

41-55 years

56-65 years

65 Years and above

3. Marital Status

Single Married Divorced Widowed

4. Family Size _____

5. Source of income

Self-Employed Unemployed

Government Employee Pensioner

Private Sector Employee

Non-Governmental Organization Employee

6. Monthly Expenditure (Excluding the monthly repayment for the house)

7. Monthly Saving _____

Section 2: Housing related questions.

8. What is your ownership title of the house?

Own House Rented House Relative's or Friend's House

Others, Please specify _____

9. What was your previous title of your residence?

Owner Kebele House Renter Dependent

Others, Please specify _____

10. How did you hear about the 10/90 condominium housing program?

11. What was the reason behind that you applied for the house? (Select all that apply)

Affordable housing Better quality housing

Better facilities

The freedom of having own house Others, Please specify _____

12. How did you get the house?

By order of application By lottery method

Priority due to displacement

Priority due to being a female head

Others, Please specify _____

Section 2.1. Affordability

13. What is the monthly payment of the house? _____

14. How much were you paying previously if you were living in a rented house?

15. How much was the down payment? _____

16. Were you capable to pay the down payment by yourself?

Yes No

17. If your answer for the above question number 16 is no, what means did you use?

Own source Borrowed from Bank

Borrowed from relatives/friends

Borrowed from Micro and Small Enterprises (MSE)

Others, Please specify _____

18. If your answer for the above question number 16 is no, was there any help from the government in facilitating payment arrangements?

Yes No

19. If your answer for the above question is yes, in what form?

20. Generally, do you think the price of the 10/90 condominium housing program is affordable by the low income households?

Yes No

21. If your answer for the above question is no, what do you think is the reason behind? (Select all that apply)

The down payment is too much The loan period is short

The loan interest rate is too much

There are other finishing and mandatory maintenance expenses associated

Others, please explain _____

Section 2.2. Proximity to Public Facilities

22. How do you rate the proximity of your house to the nearby public school/s?

Excellent Very Good Good Poor Very Poor

23. How do you rate the proximity of your house to the nearby public health center/s?

Excellent Very Good Good Poor Very Poor

24. How do you rate the proximity of your house to the nearby public transportation facilities?

Excellent Very Good Good Poor Very Poor

25. How do you rate the proximity of your house to the market places?

Excellent Very Good Good Poor Very Poor

26. How do you rate the proximity of your house to your work place?

Excellent Very Good Good Poor Very Poor

27. Monthly Transportation Expenditure _____

Section 2.3. Satisfaction on Housing Conditions and Basic Facilities

28. How do you rate the quality of the house?

Excellent Very Good Good Poor Very Poor

29. Is the house enough to accommodate your family?

Yes No

30. Did you do major maintenance after receiving the house?

Yes No

31. If the answer for the above question is yes, was the maintenance decisive one that you cannot live in it unless maintained?

Yes No

32. Did you replace or maintain items installed in the house (like sanitary, sewage, doors, etc) when you receive the house before you start living in it?

Yes No

33. If you answer yes for the above question, why did you replace/maintain items?

Select all that apply

Not good looking Not properly fixed Malfunctioning

Others, Please specify _____

34. How do you rate the incidence of shortage of pipe water and electricity?

Always Usually Sometimes

35. Are there established systems (committee) to manage jointly owned resources and common areas or seek solutions to problems?

Yes No

36. If you have any recommendations on the program's package design (the criteria for getting the house, the timing and manner of the payment, basic housing facilities, proximity to basic institutions like public schools, health centers and other issues) please reflect.

37. These questions are related to the quality of the accessories fixed in your condominium house. Please Mark (✓) in the box of your choice.

Statement	Excellent	Very Good	Good	Poor	Very Poor
• How do you rate the quality of:					
• kitchen accessories					
• water taps					
• waste and water disposal system					
• shower and toilet accessories					
• Doors and windows fixed in the house					

38. Please rate the problems (if any) you have you experienced when you received the house. Please Mark (✓) in the box of your choice.

Statement	Not a Problem	Minor Problem	Moderate Problem	Major Problem
Leaking water pipes				
Cracks in the walls				
Water penetration through the walls				
Roof leaks				
Incomplete house				
Door frames which shake and faulty doors				
Leaking drains and toilets				
Water penetration through the floor				

Appendix-2 Interview Questions for Addis Ababa Housing Development Agency Officials

1. Do you think that low income households can afford the price of the 10/90 condominium houses?
2. Is there any plan to continue the 10/90 program further?
3. How much percent complete are the houses while transferred to beneficiaries?
4. What do you think are the possible solutions to solve affordability problems?
5. Do you think the items installed are of adequate standard?
6. Do you think that public facilities adequate around the sites?
7. Is there any action by the government to support those who can't afford the down payment and monthly repayment?

Appendix-3: Interview questions for Commercial Bank of Ethiopia staffs

- 1.** What are the criteria required from beneficiaries to get loan from the bank?
- 2.** What are the problems the bank faced in relation with the provision of loans for condominium house beneficiaries?
- 3.** What are the procedures taken if beneficiaries fail to pay monthly repayment?

Appendix-4: Sample Size Table

Required Sample Size[†] from: The Research Advisors

Population Size	Confidence = 95.0%				Confidence = 99.0%			
	Degree of Accuracy/Margin of Error				Degree of Accuracy/Margin of Error			
	0.05	0.035	0.025	0.01	0.05	0.035	0.025	0.01
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
900	269	419	568	823	382	541	672	854
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455

Source: The Research Advisors