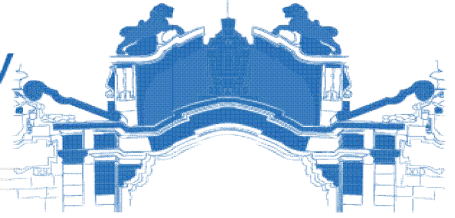




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An Assessment of Factor Affecting Housing Delivery of Condominium Project in Addis Ababa: The Case of Gulele Housing Development Project

Advisor: - Teklegiorgis Assefa (Asst. Professor)

**A Thesis Submitted to the Department of Project Management in Partial
Fulfillment of Requirements for the Degree of Master of Arts in
Project Management**

By: - Tesfalem Tesfaye (GSE/0682/07)

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Addis Ababa University

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MA Thesis

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External Examiner	Signature	Date

Statement of Declaration

I, Tesfalem Tesfaye, have carried out independently a research work on the topic entitled **“An Assessment of factor Affecting Housing Delivery of Condominium Project in Addis Ababa: - The Case of Gulele Housing Development Project”** in partial fulfillment of the requirement for the Degree of Master of arts in Project Management with the guidance and support of the research advisor Teklegiorgis Assefa, (Asst.Prof). This study is my own work that has not been submitted for any degree or Diploma program in this university or any other institutions.

Tesfalem Tesfaye

Signature _____

Date _____

Addis Ababa, Ethiopia

Statement of Certification

This is to certify that Tesfalem Tesfaye has carried out this research work on the topic entitled **“An Assessment of Factor affecting Housing Delivery of Condominium Project in Addis Ababa: - The Case of Gulele Housing Development Project”** under my supervision. This work is original in nature and it is sufficient for submission for the partial fulfillment for the Degree of Master of Arts in Project and Management.

Teklegiorgis Assefa, (Asst.Prof).

Signature _____

Date _____

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ACRONYMS AND ABBREVIATIONS

A.A	Addis Ababa
AAHCPO	Addis Ababa Housing Construction Project Office
AAHDPO	Addis Ababa Housing Development Project Office
ACHPR	African Charter on Human and People’s Right
CBB	Construction and Business Bank
CBE	Commercial Bank of Ethiopia
CSA	Central Statistical Agency
GC	Gregorian Calendar
GDP	Gross Domestic Product
GHDPO	Gulele Housing Development Project Office
GTP	Growth and Transformation Plan
IHDP	Integrated Housing Development Program
MoFED	Ministry of Finance and Economic Development
MoUDHC	Ministry of Urban Development, Housing and Construction
MSEs	Micro and Small Enterprises
MDG	Millennium Development Goal
MWUD	Ministry of Work and Urban Development
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
PMO	Project Management Office

NUPI	National Urban planning institute
UNHABITAT	United Nations Human Settlement Program
UDHR	Universal Declaration of Human rights
US	United States

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ABSTRACT

The speedy development of urbanization in developing countries accompanied with lack of adequate and affordable housing is one of the main development challenges. Condominium housing is new form of housing delivery in our country. It is strategic response to rapid urban population growth ,high prevalence of urban poverty ,and urban un employment in major Ethiopian cities this implies that next to the massive housing delivery ,creating large number of job opportunities to reduce prevalent unemployment rate and create a saving culture in the public. But in large part the government is unable to match the demand with simultaneous provision of affordable and adequate housing and infrastructure.

Beside on the above fact this study is an attempt to assess the factor that are affecting housing delivery of condominium project in Addis Ababa, especially in Gulele Housing and development project office. Descriptive survey method was employed in this study and a non-probability sampling technique was used. Accordingly, a questionnaire, interview, and document analysis were used as data collection instruments. Frequency and percentages were used to analyze the data obtained.

The result from analysis showed the factors that affect condominium projects in the case of Gulele Housing Development Project office. The finding of the research showed that although the project activities are based on a unique nature needs strong monitoring and evaluation system but the project environment the M&E practice are not good and also material availability and distribution, procurement, project planning, design change, capacity of contractor, project management knowhow, are the major factors that are affecting the project delivery. The other problems that make the project delay were dalliance of land preparation and provision of construction materials lack of stakeholder involvement and infrastructure problems are some of the finding of the study. In general the idea of condominium housing project is good to fill the big gap between demand and supply of houses and in creating job opportunities to the citizens with in the implementation problems to achieve the intended Project objectives.

Thus, a recommendation has been made under this study on what actions should be taken in order to improve Housing project delivery.

 Key words: Housing Delivery, condominium.

Chapter One

1. INTRODUCTION

1.1 Back Ground of the Study

The construction industry plays an important role in the growth and development of a country. Throughout the world, the business environments of construction organizations are operating continuously to bring a rapid change. The major problem construction industry is facing, are the delays and the level of impact these delays affect the projects to be delivered in a specified time, within allocated budget and expected quality. It is very rare to see that a construction project is completed on time. Also when stakeholder specification and satisfaction leads to project completion within time, cost and quality, the project is successful.

The rapid process of urbanization in developing countries accompanied with lack of adequate and affordable housing is one of the 21st century's main development challenges. Like most African cities, the spatial, physical and socio-economic condition of Ethiopian cities is by far behind the requirements fundamental to sustain the livelihood of the city.

With a per capita income of about 590 US Dollar, Ethiopia is one of the poorest countries in the world. The agriculture sector which accounts for the average 45% of GDP, is a source of livelihood for about 80% of the country's population (World Bank, 2015). With a population of about 99.4 million people, it is the second most populous country in Africa. Moreover, its population is growing rapidly at an annual growth rate of 2.6 per cent (CSA, 2012)

Addis Ababa, the capital city, is located almost at the geographic center of the country, with an estimated population of about 3.1 million. The combination of high population and high urban growth rates coupled with a high prevalence of urban poverty has placed enormous strain on Ethiopian cities. This is especially true in Addis Ababa as it has a share of 23% of the country's urban population.

Addis Ababa's housing sector has been a long-standing challenge. For over a century the rapidly growing Ethiopian capital has been unable to provide both adequate and sufficient housing, particularly for its low-income citizens. Reflecting the city's general housing history, a series of

surveys conducted in accordance with Addis Ababa's master plan revision during the early 2000s, declared a massive shortage of housing units – particularly for low-income dwellers – and a generally poor condition of the existing housing stock. Over 95% of total housing units were identified as single-story shelters, showing substantial deficits regarding sanitation, cooking, and personal hygiene facilities. These challenges have affected both peripheral and central areas: while an estimated 25% of units in the suburbs derive from squatting activities and thus mostly poorly built shelters, almost 60% of the units within the city center were identified as dilapidated, and thus in need of substantial upgrading or total replacement (EIHDP).

Currently, in Addis Ababa, there is strong housing demand as a result of the mismatch between the expanding urban population and limited housing supply.

- **Current state of the housing sector**

Recently, the government implemented a new housing project in Addis Ababa which is divided into four different groups based on payment modalities: 10/90, 20/80, 40/60 and housing association. The payment modality for the last one necessitates hundred percent upfront settlements, while the others incorporate 10, 20 and 40 percent down payment mixed with a long-term mortgage plan. Majority of the people demanding houses focused on the former three alternatives. Registrations for 20/80 and 10/90 schemes took place from June 10 to June 28, 2013 followed by the 40/60 and individual housing construction associations (Ebisa, 2014).

Policy and legal frameworks related to housing since 1991 Ethiopia has had a decentralized regulatory structure with considerable autonomy devolved to regional states regarding the management of their internal affairs. All land is property of the national government and is leased, not sold, for development. In 2005, the Council of Ministers of the Federal Democratic Republic of Ethiopia formulated and approved a consolidated Urban Development Policy to link together the small-scale efforts made by regional governments and cities since 2000.

They also created the national Ministry of Works and Urban Development (MWUD) to guide the overall development of the country's urban areas and conducting studies on its urbanization patterns (UN Habitat, 2011 IHDP).

Gulele sub city is one of the ten sub cities in Addis Ababa City Administration found at the northern part of capital city. The population of Gulele sub city is estimated 248,865 (CSA, 2012) with 30.18 Sq.km. In a newly arranged administrative structure in the sub city there are 10 *woredas*. Under the supervision of Addis Ababa housing development bureau 18 housing project

offices are working starting from 1997. Gulele Housing development project office is one of the project offices working under Addis Ababa Housing development office. The Gulele project office has 102 professional and non professional employees. There are four project site under the control of the project office which are Bereket site, Wetader Sefer site, Jemo Gara site and Fanuel site. Gulele Housing Development project office was established in 1997E.C. The project office works together with two project consultants. In this study, the researcher was focusing on housing development project and has the experience to the problem of housing development projects.

To this end, this study was assessed or analyzed factors affecting the delivery of housing project in Addis Ababa taking the case of Gulele condominium HDPO. This study also tried to identify the most critical problems that hinder the development of the sector.

1.2 Statement of the Problem

The main aim of this study is to analyze the process and conflicts involved in the housing delivery in the Gulele Housing Development Project, against the backdrop of the Addis Ababa housing need and housing policy. In this way the study wants to illuminate the relationship between housing policy and housing practice.

Housing is a highly politicized and contentious issue, particularly in developing countries like Ethiopia and other Africans countries, which experience rapid urbanization and where, as a result, huge competition for housing exists. Although shelter is a basic human need, it is also more than that: “housing is about everything other than houses. It is about the availability of land, about access to credit, about affordability, about economic growth, about social development and about environment” (Khan, 2003, p68). In addition to these, it also implies gaining access to services and infrastructure, as well as creating feelings of security and pride in living in a home.

The significance of this research project is thus motivated by a passion for finding developmental solutions to the housing delivery issues in Addis Ababa.

The development of housing project which is suitable to the majority of residents has significant role in urban development by rectifying housing problem, creating job opportunity, enhancing saving culture and overcoming the problem of dilapidation and urban suffocation. Hence, special attention should be given to housing projects in urban development activities. As a result, the Addis Ababa city administration launched grand low cost condominium housing projects through integrated housing development program (IHDP) in 2004 to minimize housing backlog, slums and to provide decent shelter to middle and low income groups. So far, 175,898 houses have

already been completed and transferred to beneficiaries (AA HDPO, 2015, cited in Getachew; 2016). However, in the situation of highly urbanized world, the experience shows that the demand for housing service is becoming a challenge for nations as well as local governments. The provision of housing service is not matching with the ever increasing population growth.

The Habitat Agenda and Conference in Istanbul (1996), has acknowledged that the right to have housing for all human beings is a fundamental right. Nevertheless, today urban centers around the world, particularly in developing countries like Ethiopia are facing serious challenges.

These challenges are primarily emerged from the massive rural-urban migration coupled with low capacity of local government to address the increasing demand for housing. Housing problem today in most areas of the country are originated from the largely misguided policies and socio economic factors of the long past likewise lack of housing is among visible problem of Addis Ababa. The main problem lies here is that whether or not the objective of condominium development program has to address the shelter need of the low income groups?

The ongoing housing project has been continued within different parts of the city. However, the condominium project is going on under different obstacles, implementation problems, misunderstanding from different sectors of the citizen. Based on the above fact this study attempted to assess the major factors that are affecting the housing deliveries and the condition of condominium housing projects by answering the following basic research question:

1.3 General Research Question

What are the Factors affecting the housing deliveries of condominium projects in Addis Ababa a case of Gulele Housing and development project?

1.3.1 Specific Research Questions

- What are the main factors associated with housing delivery in the Condominium housing project?
- What is the existing management strategy in the chosen project area?
- How much has the condominium housing project addressed the existing demand?
- What should be done for further improvement of the housing project?

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of this study is to assess the factors that are affecting housing delivery of condominium Projects in Addis Ababa the case of Gulele Housing and development project office and to come up with recommendations for further improvement of the project.

1.4.2 Specific Objectives

- To assess the factors that affect housing deliveries of condominium projects in solving the existing housing problem of the city.
- Explore the current practices of housing delivery management in the sub city project office.
- To identify the demand and supply relationship of delivery of condominium houses.

1.5 Significance of the Study

Even if there are few documents about the housing project with regard to Condominium Housing project, there are no previously well documented studies on House delivery and its subsequent factor that affect the delivery of housing project with regard to Addis Ababa Condominium housing project. This research was thus intending to fill the literature gap related to housing delivery and the factors that affect the delivery of housing project.

Remarkably, lack of researches in the area initiated the researcher to contribute something important like this research. Shortage of housing is a formidable challenge for the city administrations. Most city administrations invest huge amount of money on housing projects to reduce the gap of housing problems. Unless, urban planners and management take in to account the challenges of deliveries of condominium housing projects the invested budget will be wasted. Thus, the result of this study is believed to be useful for the following reasons:

- It helps to identify range of critical factors that influence the delivery of condominium projects that will help policy makers, administrators, designers, and programs evaluators.
- It enables the Gulele Housing Development Project Officials (GHDPO) and Addis Ababa Housing Development project office (AAHDPO) to gain valuable information about the major factors affecting the delivery of condominium housing projects.

- It suggests possible options for the improvement of condominium housing projects in to workplace.
- It also initiates other researchers to conduct further and detailed studies on condominium housing projects.

1.6 Scope of the Study

The target population of the research is Gulele housing development project office employees and the project manager and also manager (supervisors) of the four project sites (Bereket site, wetader sefer site, Jemo Gara site and Fanuel site). Although housing is a nation- wide problem that requires large scale and rigorous study, conditions such as material, financial as well as time constraints forced the researcher to limit the scope of the study in terms of time. The study is limited to cover the year between 1997 and 2008 EC (2005 and 2016 G.C). Moreover, the researcher was focusing only on Gulele housing development project and the factors that affect housing delivery of housing development projects.

1.7 Limitations of the Study

The major limitation of the study was:

- Lack of well organized and developed data system at the project office level.
- Shortage of time to conduct the study in a wide coverage
- The researcher face lack of financial resources

1.8 Terms and Definitions

Definitions of terms slightly may vary based on the emphasis given. Accordingly, in this research the meaning of:

- “Project” is a unique, transient Endeavour undertaken to achieve a desired outcome.
- “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, (Condominium Proclamation No. 370/2003).
- “Project delivery”: - a project delivery method is a system used by an agency or owner for organizing and financing design, construction, operation, and maintenance services for a

structure or facility by entering in to legal agreements with one or more entities or parties.
(Wikipedia)

1.9 Organization of the paper

The thesis is organized and dividing into five parts. The first part provides the introductory aspect of the study which encompasses the background of the study, statement of the research problem, objective of the study, the research question, significance of the study, and scope of the study, limitation of the study and terms and definition.

The second chapter explores the related literature on the subject matter. Chapter three presents the research methods, target population, sampling strategy and data source and collection techniques of the study.

The fourth chapter research findings and discussion analyses the data. The Gulele Housing Development Project was assessed and described in terms of its setting and background and the housing delivery process was discussed. The conflict associated with this process was brought to light. The fifth chapter winds-up the study with a conclusion and recommending a solution to the problem.

Chapter Two

2. Related Literature review

2.1 Introduction

The construction industry plays an important role in the growth and development of a country. Throughout the world, the business environment of construction organizations are operating continues to bring a rapid change. The major problem construction industry is facing, are the delays and the level of impact these delays affect the projects to be delivered in a specified time, within allocated budget and expected quality. It is very rare to see that a construction project is completed on time. Also when stakeholder specification and satisfaction leads to project completion within time, cost and quality, the project is successful.

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2.1.1 Meaning of Project

There are number of definitions about project by different scholars having similar meaning. According to Kerzner (2009), a project can be considered to be any series of activities and tasks that have a specific objective to be completed within certain specifications, have defined start and end dates, have funding limits (if applicable), consume human and nonhuman resources (i.e. money, people, equipment), are multifunctional (i.e., cut across several functional lines). The

other one is a definition from PMI (2013), a project is a temporary endeavor undertaken to create a unique product, service, or result. According to Tayntor (2010), a project is a unique, finite set of multiple activities intended to accomplish a specific goal.

A project is defined as having the following characteristics: Complex and numerous activities, unique-a onetime set of events, finite-with a begin and end date, limited resources and budget, many people involved (usually across several functional areas in the organizations), sequenced activities, goal oriented, end product or service must result (Weiss and Wysocki 1992).

All of the above definitions have basic similarity, i.e. a project is a temporary and unique activity and has clear goal or objective and specifications. To elaborate each points more, a temporary activity does not mean something accomplished with in short period of time rather it means every project has a starting and ending period.

2.1.2 The Definition of Project Management

Project management can be defined from management concept, resource utilization point and as a system. According to Kerzner (2009), project management is the planning, organizing, directing, and controlling of company resources for a relatively short-term objective that has been established to complete specific goals and objectives. Furthermore, project management utilizes the systems approach to management by having functional personnel (the vertical hierarchy) assigned to a specific project (the horizontal hierarchy) (Kerzner, 2009).

Project management is an organized common-sense approach that utilizes the appropriate client involvement in order to meet sponsor needs and deliver expected incremental business value (Wysocki, 2014). Project management is about people and the systems, processes, tools, and methodologies they use. In order to manage any kind of project there should be some kind of system with group of people who can run the established system. There are also different tools and methodologies that help to manage a project. Project management is concerned with several objectives at once. The objectives typically fall under the headings of time, cost and quality (Roberts and Wallace, 2004).

There are constraints when managing a project. These constraints are time, cost and quality. The benefits and advantages of project management are identification of functional responsibilities to

ensure that all activities are accounted for, regardless of personnel turnover, minimizing the need for continuous reporting, identification of time limits for scheduling, identification of a methodology for trade-off analysis, measurement of accomplishment against plans, early identification of problems so that corrective action may follow, improved estimating capability for future planning, knowing when objectives cannot be met or will be exceeded (Kerzner, 2009).

2.1.3 Project Management Process Groups

According to PMI (2013), these processes ensure the effective flow of the project throughout its life cycle. These processes encompass the tools and techniques involved in applying the skills and capabilities described in the Knowledge Areas (will be discussed later). There are five process groups in the life cycle of any project. These are:

- i. The initiating process group: consists of those processes performed to define a new project or a new phase of an existing project by obtaining authorization to start the project or phase. Within the Initiating processes, the initial scope is defined and initial financial resources are committed (PMI, 2013).
- ii. The planning process group: according to PMI (2013), this process group consists of those processes performed to establish the total scope of the effort, define and refine the objectives, and develop the course of action required to attain those objectives. The Planning processes develop the project management plan and the project documents that will be used to carry out the project.
- iii. The executing process group: according to PMI (2013), this consists of those processes performed to complete the work defined in the project management plan to satisfy the project specifications. This Process Group involves coordinating people and resources, managing stakeholder expectations, as well as integrating and performing the activities of the project in accordance with the project management plan.
- iv. The monitoring and controlling process group: consists of those processes required to track, review, and orchestrate the progress and performance of the project; identify any areas in which changes to the plan are required; and initiate the corresponding changes (PMI, 2013).
- v. The closing process group: consists of those processes performed to conclude all activities across all project management process groups to formally complete the project, phase, or contractual obligations. This process group, when completed, verifies that the defined

processes are completed within all of the process groups to close the project or a project phase, as appropriate, and formally establishes that the project or project phase is complete (PMI, 2013).

2.1.4 Project Management Knowledge Areas

According to the PMI (2013), there are ten project management knowledge areas that every project addresses and these Knowledge areas represent a set of competency skills and processes that must be properly utilized by the PM throughout the life cycle (Richardson, 2015). These are:

- Project scope management: it includes the processes required to ensure that the project includes all the work required, and only the work required, to complete the project successfully.
- Project time management: it includes the processes required to manage the timely completion of the project.
- Project cost management: includes the processes involved in planning, estimating, budgeting, financing, funding, managing, and controlling costs so that the project can be completed within the approved budget.
- Project quality management: it focuses on all aspects of both the product and project quality processes and therefore project quality management includes the processes and activities of the performing organization that determine quality policies, objectives, and responsibilities so that the project will satisfy the needs for which it was undertaken.
- Project human resource management: focuses on actions related to the human element of the project (Richardson, 2015) and therefore project human resource management includes the processes that organize, manage, and lead the project team (PMI, 2013).
- Project communication management: Thus, project communications management includes the processes that are required to ensure timely and appropriate planning, collection, creation, distribution, storage, retrieval, management, control, monitoring, and the ultimate disposition of project information.
- Project risk management: project risk management includes the processes of conducting risk management planning, identification, analysis, response planning, and controlling risk on a project and the primary focus is to minimize the probability of negative events hurting the outcome and maximizing any opportunities that exist for positive events.

- Project procurement management: it includes the processes necessary to purchase or acquire products, services, or results needed from outside the project.
- Project stakeholder management: it includes the processes required to identify the people, groups, or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution.
- Project integration management: it includes the processes and activities to identify, define, combine, unify, and coordinate the various processes and project management activities within the Project Management Process Groups (PMI, 2013).

From a high-level viewpoint, project management is integration management. Therefore, one way or another project manager and the project team are involved in performing the above knowledge management areas in the project life cycle.

2.1.5 PROJECT SUCCESS

Success is an interesting word and a word that is so general and wide in nature that it is difficult to define and obtain mutual agreement when asked from different individual. Judgev and Muller (2005) in their article mentioned that in order to define what success means in the project context is like gaining consensus from a group of people on the definition of “good art.” Project success is a topic that is frequently discussed and yet rarely agreed upon (Baccarini, 1999: p. 26). Based on a current study conducted by Crawford, Pollack and England (2006) to uncover the journal emphases over the last 10 years in the field of project management, it is found that the study of project evaluation and improvement has gained increase significance. This implies that more studies have been directed to the area of project management and project success (Judgev & Muller, 2005).

2.2 Concepts of Housing

Housing is one of the three basic needs of mankind and it is the most important for the physical survival of man after the provision of food. Adequate housing contributes to the attainment of physical and moral health of a nation and stimulates the social stability, the work efficiency and the development of the individuals. It is also one of the best indicators of a person's standard of living and of his place in the society. Housing, both in units or multiple forms is a significant component of the physical form and structure of a community, while the human and family contents of the house is part of the very spirit of life and prosperity of the society.

Housing is a very important aspect in life. It is a multi-dimensional concept. It has been defined differently by different people depending on the emphasis and focus of analysis. The basic definition is housing as shelter and the provision of human needs.

- The Oxford Dictionary defines a 'house' as a building for human habitation. While 'housing' is 'dwelling houses collectively, provision of these shelter or lodging'.
- The United Nations however defined housing not simply as shelter, but also as a means of creating communities, giving great emphasis on the functions which housing has to perform (United Nations, 1978). According to the United Nations, housing is a means which should perform a double function: the interior, one of providing a place where a household of different age, sex, education, occupation, intellectual modes and values can meet in harmony; and the exterior, one of providing meeting grounds for groups of households and for the healthy and enjoyment enrichment of their lives and the life of the community.
- In economic terms, housing is considered as a commodity which has a market value and can be bought and sold. Through housing is reflected a person's economic standing and his affordability to attain a certain level of quality of life. Housing is also considered as a security which a person owns for the benefit of one's future.

2.2.1 Characteristics of Condominium house

A condominium, usually shortened to condo, is a type of real estate divided into several units that are each separately owned, surrounded by common areas jointly owned.

Residential condominiums are frequently constructed as apartment buildings, but there has been an increase in the number of "detached condominiums", which look like single-family homes but

in which the yards, building exteriors, and streets are jointly owned and jointly maintained by a community association.

Unlike apartments, which are leased by their tenants, condominium units are owned outright. Additionally, the owners of the individual units also collectively own the common areas of the property, such as hallways, walkways, laundry rooms, etc.; as well as common utilities and amenities, such as the system, elevators, and so on. Many shopping malls are industrial condominium in which the individual retail and office spaces are owned by the businesses that occupy them while the common areas of the mall are collectively owned by all the business entities that own the individual spaces.

2.2.2 Need for Condominiums

According to Hyatt (2000), the following are the major reasons for demanding condominiums:

- Scarcity of land.
- Migration to city
- Inconveniency of services like water supply in individual level
- Inconveniency of construction work in individual level.
- Security and privacy
- Increase in population

2.3 Laws, Policies and programs of housing

2.3.1 International law

One can find the right to housing recognized in different international and regional and national human rights instruments either directly or indirectly. At global level, the right to housing came into existence in 1948 with the adoption of the Universal Declaration of Human Rights (UDHR) there by joining the body of international, universally applicable and universally accepted human rights law (Janka, 2007). After the adoption the UDHR, many other international human rights treaties have recognized the right to housing as human right. At regional level, the major African human rights document, the African Charter on Human and Peoples' Rights (ACHPR), does not expressly provide for the right to housing. Nevertheless, the African Commission on Human and Peoples' Rights (the Commission) adopted the approach of generous and purposive interpretation which led to the development of the doctrine of implicitly guaranteed rights: reading rights which are not expressly recognized by the ACHPR "into" it. Luckily, the right to housing is one the two

such rights read ‘into’ the ACHPR by the Commission. Ethiopia ratified all the three instruments. By virtue of article 9(4) of the Ethiopian Constitution, therefore, they are integral part of the law of the land thereby creating the obligation to realize the right to housing.

2.3.2 The Ethiopian Constitution

The Ethiopian Constitution does not mention the right to housing as a human right at all. But article 41(3) states that every Ethiopian national has the right to equal access to publicly funded social services while article 41(4) imposes obligation on the state to allocate its ever increasing resources to provide to the public social services. Assessment of Affordability of Private Residential Developments in Addis Ababa Similarly, article 41(5) of the Constitution imposes duty on the state, within the available means, to allocate resources to provide assistance to the physically and mentally disabled, the aged and the children who are left without parents or guardians (Tesfaye, 2011).

This attempt to situate the right to housing in the Constitution itself is important particularly in Ethiopian context where relying on international law, albeit they become integral part of the law of the land upon their ratifications, before the judiciary is almost impossible. Before commencing the reading ‘into’ work, it is important to pay a brief attention to article 13(2) of the Constitution for it facilitates reading the right to housing ‘into’ other constitutional rights (Tesfaye, 2011).

2.3.3 The Ethiopian integrated housing development program

The IHDP is a large-scale program designed by the Ethiopian government to addressing the current housing deficit, the poor quality of existing housing stock, and the future housing needs due to continued rapid urbanization. Unlike prevailing piecemeal approaches to solving urban housing problems in several African countries, Ethiopia’s housing program of the past ten years has been an ambitious large scale project that integrates a number of complementary policy objectives such as employment and saving mobilization. The program is primarily focused to addressing the challenges of access to affordable housing by low- and lower middle-income urban households that typically live in precarious housing conditions. Through the provision of low-cost housing units, the IHDP is intended to greatly improve the living conditions and tenure security of low income households. The IHDP, being implemented in the past ten years, marked a radical departure from the previous government-owned rental housing approach to that of private homeownership.

Following the change of government in 1991, Ethiopia drafted a new constitution that introduced a federal system of government. A rural development policy, named the Land Reform Programme, was introduced in 1994. This sought to decentralize urban planning responsibilities and to encourage secondary cities to attract rural migrants to ease pressure on the already limited housing available for urban dwellers living in Addis Ababa and other major urban areas.

Addis Ababa's first housing policy, incorporating the Government's practice of maintaining public ownership, was also implemented at this time but it assumed that the housing market alone would meet the demand for affordable housing of the low-income population. Despite large subsidies and land provided at highly subsidized rates, the private sector has failed to deliver affordable housing at the large scale required. During this time house prices significantly rose making it extremely difficult for even professionals such as doctors and lawyers to access affordable housing. The post-1991 housing sector can therefore be typified by the following four characteristics:

- The private housing sector has not been sufficiently engaged and therefore has not met the immense housing demand. The practice of low-cost government owned rental housing continues to be the dominant low-income housing strategy.
- The housing stock is of a very low quality, is poorly maintained, and needs either replacement or significant upgrading.
- Informal unplanned housing has proliferated as a result of high urbanization, limited housing supply, and the limited affordability of formal housing.

To do away with urban poverty and to improve housing access to low and middle income residents of urban areas, Government has since 2005 designed and implemented an ingenious urban housing development program called INTEGRATED HOUSING DEVELOPMENT PROGRAM (IHDP). The major development components in the IHDP were the construction of 400,000 condominium units, creation 200,000 jobs, promotion for the development of 10,000 micro - and small - enterprises, enhancing the capacity of the construction sector, regenerating inner-city slum areas, and promoting homeownership for low-income households in urban area (National Report, 2014).

The IHDP has been successful in many respects. It has built 142, 802 housing units between 2006 and 2010, a significant achievement considering the previously limited capacity of the Ethiopian housing sector. The program has greatly increased the number of home owners 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. According to the UN-HABITAT's evaluation of the IHDP, the Integrated Housing Development Program was an ambitious achievement for Ethiopia. It is a physical manifestation of the transition from a static urban housing sector based mainly on publicly provided and controlled poor-quality rental housing to a dynamic homeownership-based approach with intelligent cross subsidization for the poor, where the focus is on building the capacity of private companies and on economic development in general. Whereas there is much interest for the program in Addis Ababa and few larger cities, lately implementation of the program was suspended in the regions because of low effective demand and weak ability to pay the down payment and the monthly mortgage (principal and interest). And lack of adequate financing from the national bank of Ethiopia. The program was also unable to meet its targets due to a shortage of skills in construction, project management and planning, construction design and poor logistic support and the shortage of construction materials. The shortage of qualified contractors, both big and small, considerably slowed the space of housing construction and delivery Massive Interventions undertaken by government towards improving access to housing and infrastructure during the last decade, in addition to being central to meeting goal 7, target 11 of the MDGs, also have served as key inputs for achieving goals 1 through 6 which focus on eradication of extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowerment of women, reducing child mortality and improving maternal health. In general, investment in housing and infrastructure has helped to reduce urban poverty through its multiplier impact in the entire economy. Especially, large scale interventions in both housing and infrastructure have helped in:

- Creating thousands of new jobs through increased demand for the products and services of the multifaceted construction, storage, transport, and distribution industries as well as for the services of the wholesale and retail trades sectors.
- Producing improvements in housing and infrastructure that have reduced the vulnerability of the urban poor to health risks, natural disaster, and violence.
- Improving income earning capacity by facilitating the journey to work and by encouraging the development of small- and micro-enterprises.

Since the beginning of the Growth and Transformation Plan (GTP), the mode of housing delivery has changed and it includes: low-income housing development (ie.10/90 approach); condominium development (20/80 model); saving housing development for middle income group (40/60 option) and mega housing projects for sugar and fertilizer industry, and university housing.

The second approach is housing development by the private sector and cooperatives. Since the GTP started, a total of 96,233 housing units and 1,720 housing blocks have been constructed. An estimated 300,000 jobs have been created in the first half of GTP implementation (National Report, 2014).

According to National report explanation vigorous effort by government towards improving access to housing in the country, the Ethiopian urban housing situation reflects a gloomy picture. The Urban Sector Millennium Development Goals(MDG) Needs Assessment: Improving the Lives of Slum Dwellers¹⁰² (December 2004) estimated that the additional housing units will be needed due to population growth or formation new households between 2005 and 2015 will be 2,250,831 units – approximately 1.125 million during the 2005-2010 period – or 225,000 each year. To meet this need will require a substantial effort from the public sector supported by private sector and community participation.

The MUDHCo has issued a National Housing Development Policy and Strategic Framework (2014) in which it has identified key problems and their manifestations along with causal factors and pin pointed policy directions to deal with the problems. The following summaries the key challenges in enhancing access to housing in urban areas along with policy options devised by government to overcome the key challenges.

2.3.3.1 Wider gap between housing demand and supply

I. causal factors

- proliferation of squatter and informal settlements
- high proportion of slum dwellers
- homelessness limited supply of houses by the public and private developers,
- high cost of construction,
- low income levels of urban households,
- limited serviced land supply,
- lack of clarity in taxes and levies,

- shortage of public housing finance,
- High rate mortgage interest rates.

II. policy directions

- improving the income of urban households through various income generating programs and packages;
- enhancing and improving the supply and production of construction materials
- boosting production of high quality and low cost local construction materials by enhancing housing and construction research and development;
- improving construction materials through technology transfer
- construction of additional houses by
- ensuring access of low income households to public condominium houses;
- devising a dynamic organizational system that facilitates housing credit and efficient land supply that will support private saving societies so as to expand production of new houses;
- supporting high income private and real estate developers to construct increased numbers of houses with improved land management procedures;
- supporting banks and financial institutions to enhance their capacity of availing mortgage facilities to house builders through enhancement of housing finance schemes and sources;
- effecting a systematic transfer of publicly owned houses to private owners
- Enhancing the implementation capacity of urban administrations to enable them to efficiently deliver serviced urban land for housing development;
- Improving the implementation capacity of urban administrations to enable them deliver improved land registration and management systems, efficient implementation of the lease hold system and to withstand illegal and informal land development.

2.3.3.2 Informal and illegal land developments

I. causal factors

- informal and illegal land developments in urban areas;
- limited supply of serviced land; and
- limited implementation capacity of local urban administrations

II. Policy Directions

- Enhancing entrepreneurial and saving capacities of urban residents;
- Enhancing prevention of illegal land development activities;
- Enhancing improved supply of urban land through capacity enhancement of urban administrations; and
- Enhancing the capacity of urban administration personnel through the enhancement of their implementation capacities that would result in overall urban capacity enhancement for effective implementation of housing development programs.

2.3.4 Program Benefit and Beneficiaries

The low cost housing program is intended to assist mainly the beneficiary groups listed below. The targeting approach is aligned with the need to ensure these target groups are the primary beneficiaries of the program.

- a. Urban households without access to adequate housing, living in inadequate housing conditions including those in slums, informal settlements, and households in overcrowded conditions are the focus of the Social Housing design. This means that Ethiopia's inadequately housed urban households are the primary target of this design.
- b. Low-income and middle-income households who cannot afford the lowest priced houses in the formal housing sector due to their inability to sufficiently save for, access loans for, build and or purchase adequate housing using their own resources alone. The low cost housing program therefore primarily targets households below a certain income percentile based on the Housing Cost Burden, which is the assumed sustainable portion of income households, are able to pay to finance the cost of a Studio, a One Bedroom, a Two Bedroom or a Three Bedroom low-cost housing unit.
- c. Households that are willing and able to be regular contributors to their own housing costs will be eligible for concomitant subsidy benefits through the housing program. A demonstrated savings record is a prerequisite for accessing housing financing benefits through the Social Housing subsidy. In terms of income groups, the program is intended to benefit residents of the city mainly in the following income groups. The extremely low income groups, who earns monthly income of below Birr 300 (equivalent to 23 USD at the time of the start of the program), constitute 50% of the residents of the city. The very low income group, (Birr 300 – 600), low income group (Birr 600 – 1200), medium income

group (Birr 1200 – 1800) and lower middle income (above Birr 1800) constitute 30%, 10%, 6% and 4% of the city, respectively.

Accordingly, of the total houses planned to be constructed, 40%, 30%, and 20% are designed for Studio, one-bedroom, two – or three – bedrooms. Such arrangement targets with the assumption that the houses are transferred to extremely low income group, very low income, and low middle income groups, respectively. The remaining 10% are designed for commercial purposes.

Moreover, the extremely low income and very low income groups also benefit from the less amount required for down payment, longer payment period and interest free credit. They also benefited from longer grace period of repayment of the housing loan.

The low cost housing program targets poor urban households whose income is below a certain threshold. However, as with all subsidy and welfare programs, such kinds of benefit systems generally run into problems because it is often difficult to ascertain income levels of applying households especially in developing countries like Ethiopia where informal sectors play a significant role in the labor market. If the eligibility criteria are not clear or the variables used to assess eligibility are difficult to measure, robust targeting may not be possible and the cost of the program may sky rocket. In the Ethiopian context, self-selection is the commonly used mechanism to ascertain eligibility of households although other complementary measures are also considered to a limited extent.

Under self selection criteria, self-selecting mechanisms impose disincentives to program participation in the form of various requirements, waiting time, and lower product quality, so as to attract only individuals in need. In other words, self-selection ensures that the non-targeted will not be interested in the type of benefits extended. In the case of the housing program, eligible households will receive low cost units with limited sizes and amenities.

Though efficient at discouraging non-qualifying households from claiming benefits (solves the inclusion problem), it achieves that through severely limiting the benefit accruing to lower income people. That runs counter to the intended purpose of the program, which is meant to improve the lives of these households in the first place. Self-selection of beneficiaries onto the program will be reduced not only by limiting the size of the low-cost housing units that lower-income households are eligible to access (25M2, 40M2 and 55M2 only) but also by inversely

correlating the subsidy size with that of the unit size, i.e., as the unit size increases, the level of subsidy declines, requiring larger payments from beneficiaries (Getachew, 2016).

2.4 Current State of the housing sector and future needs

2.4.1 Housing Stock and Tenure

Growing housing deficit and low physical quality characterize the current state of the housing sector in Addis Ababa. In 2025 the population of Addis Ababa is expected to reach above 4.1 million. Average household size in Addis Ababa is 4.1. While there were 667,000 households in 2007; 761,000 households in 2013; and 798,000 households in 2015, it is expected that there will be 1 million households in Addis Ababa in 2025. However, using the UN-HABITAT slum definition, the Ministry of Urban Development and Housing (MOUDH 2008) found out that only 30 percent (or 188,696) of these housing units are livable or in fair condition. This means that the housing deficit would be around 478,304 in 2007. Not only are the existing housing stocks of a very low physical quality, most of the city's slum areas comprising government owned rental housing. The majority of low-income Ethiopians reside in rented *kebele* housing. The quality of *kebele* housing stock is low: typically constructed of mud, wood, and/or discarded materials. *Kebele* houses are old, having been constructed many decades ago and little or no maintenance has been carried out. Some houses remain with no access to water and electricity, and many do not maintain minimum standards of sanitation. Government inactivity in *kebele* housing maintenance as well as the low rents is the major reasons why the *kebele* housing stock is of such a low quality. Although also of relatively low quality, owner occupied houses are of a higher standard than *kebele* housing. They are less deteriorated due to age and greater attention to maintenance. The physical form of the housing has been dominated by single-storey construction, with a high proportion of 'terrace housing' (housing units adjoining other units rather than free-standing). Nationally, in the 1994 census, 98.3 per cent of buildings nationwide were single storied and the remaining 1.7 per cent were multistoried buildings.

In terms of tenure, private house ownership levels are low. In Addis Ababa only about 30 per cent of houses are owner occupied. Rental housing is the dominant tenure mode. Generally, the housing tenure status in Addis Ababa can be classified into five categories: rent, private, private rental house, housing agency and *Kebele* house. Table 1 shows the trend in housing tenure status in Addis Ababa for the year 2005 and 2011. We can see that rental housing is the dominant tenure

mode, the percentage of individuals who lived in rented houses increased from 55% in 2005 to 67% in 2011. But those who lived in privately owned houses decreased from 45% to 33% in the same period. While rented houses supplied by private sectors increased from 18% to 39% within the same period, publicly supplied houses (housing agency and *kebele* houses) substantially decreased. From 2005 until 2011, individuals who lived in *kebele* houses decreased by 8% and those who lived in housing agencies by 2%. Overall, the city's housing status is not only of low in quality but also that the city administration couldn't design appropriate policy that improves the situation. The situation is becoming worse with rapid rate of urbanization.

2.4.2 Housing Demand and Affordability

There is huge deficit in supply of houses in Addis Ababa. This will continue to increase with the predicted high population and urbanization growth. Data obtained from Addis Ababa City Administration, shows that the total estimated housing demand would escalate to 475,450 units in 2015. It is this imbalance between supply and demand, exacerbated by very low incomes that lead to affordability problems, and thus, urban residents prefer informal settlements. In fact, demand is composed of “effective” demand based on those who have the required down-payment and ability to pay the monthly mortgage, and “aspiration” demand based on those who want to own a unit but do not have savings to meet the down-payment. In 2014, out of the total 994,788 individuals who registered for a condominium in Addis Ababa, those who have a regular income and afford to pay the required down payment, which is our definition for “effective demand”, was estimated to only 356,385. This accounts for only 36% of the total demand, indicating affordability is the main challenge.

Affordable housing is generally defined as that which is “adequate in quality and location and does not cost so much that it prohibits its occupants meeting other basic living costs or threatens their enjoyment of basic human rights” (Un-Habitat, 2011). According to Kamete (2001), there are external and internal factors that affect housing affordability. The external factors are related to the cost of the housing. That is the ability of a household to purchase a house is affected by the purchase cost (which is the sum cost of land, infrastructure, building materials and labor and profit) and the ability to finance the purchase (principally set by the finance down payment requirement and the balance of household savings). The internal factors that affect affordability have to do mainly with socio economic circumstances of the target group. The first set of this is the economic character of the community, such as employment opportunities, income, and

expenditure patterns. The other factors have to do with the target group's social characters like household sizes, family structures, needs, customs, aspirations and priorities.

On the other hand, cost of owning a standard house is escalating in the city, which makes purchasing or building a house extremely difficult particularly for low and middle income households. In sum, evidences show that the majority of the households are not capable of building or buying standard houses. Low housing production and an unaffordable building construction means that the city's residential land delivery system cannot satisfy demand and become the major constraint on housing development of the city. Thus, with the high unemployment rate (27.9% for the year 2009), and with almost half of the households living under extreme poverty, housing access and affordability to the low income households are and will remain to be the main challenge for Addis Ababa City Administration and other stakeholders. The situation entails the need to design policy intervention that aims to address the housing deficit while that also consider the affordability of the intervention to the low and middle income households of the city.

2.4.3 Assessment of the housing sector in Addis Ababa

Rapid urbanization, one of the greatest socio-economic changes during the last five decades or so, has caused the growth of squatter and informal housing all around the rapidly expanding cities of the developing world (UN-Habitat, 2010). Despite having one of the lowest proportions of urban population in the world at only 16.7 per cent, Ethiopia is rapidly urbanizing at a high annual growth rate of 3.5 per cent. Addis Ababa, the capital city, dominates the urban hierarchy with a population Assessment of Affordability of Private Residential Developments in Addis Ababa of 3,739,551 holding 23 per cent of the total urban population in the country (CSA, 2012).

Addis Ababa is the capital city of Ethiopia which occupies an area of 522 square kilometers has an estimated more than 3 million inhabitants. The city is sub-divided into ten sub cities, each of which has an average population of around 300,000 people.

The three largest sub-cities by population are Kolfe Keranio (with 463,417 inhabitants), Yeka (374,583) and Nefas Silk Lafto (341,743). In terms of land area, the largest sub-cities are Akaki Kality, Bole, and Yeka each of which covers an area exceeding 80 square kilometers. Population densities vary considerably among the sub-cities, with Addis Ketema and Arada showing the

most densely populated neighborhoods while Bole and Akaki Kality are the least densely populated sections of the city.

One of the continuing challenges posed by unprecedented urbanization in the developing countries is the provision of adequate housing. Although population growth shows the demand for housing, the rate of increase in households is believed to provide a direct measure of potential housing demand. The 2007 census showed that the total number of urban households in Addis Ababa exceeded the total number of housing units by approximately 26,134, or about 4 per cent of the total urban households in the city. Given this increase, the city's housing demand is increasing. Accommodating this increased demand will require additional housing development and construction in the city.

According to estimates by the Ministry of Works and Urban Development (2008), the housing deficit in Addis Ababa alone is about 300,000 units. The housing deficit in Addis Ababa is not just measured by the large number of units that are required today; it is also observable in the quality of the housing stock and the extremely small sizes of most available dwelling units. What is even more worrying in this regard is that the problem has worsened between the two recent census surveys. For instance, the proportion of single-room dwelling units in Addis Ababa has risen from 33 per cent in 1994 to 39.4 per cent in 2007 (CSA, 2007: CSA, 1994). This is a serious cause for concern, according to CSA (2007) the average household size is 4.1 individuals, as the poor, who make the bulk of the population, typically tend to have large families.

This will be the second time that re-registration is taking place after the first repeat in 2013 when new people were registered along with the old ones who first registered in 2005. The 835,000 people have saved 11 billion Br in the two schemes.

Table 2.1: Number of house registered people in Addis Ababa

Registered number of house need in Addis Ababa in all programs				
No	Programs	Male	Female	Total
	10/90	9,647.00	12,677.00	22,324.00
	20/80	87,197.00	44,974.00	132,151.00
	20/80 New registered	355,394.00	270,603.00	625,998.00
	40/60	95,429.00	69,258.00	164,687.00
	Associations	0	0	2,216.00
	Total	547,667.00	397,512.00	947,376.00

Source; official web page of Ministry of urban development & housing (March 31- 2017)

According to the of Ministry of urban development & housing official report all 182,000 people that have so far been given condominium houses and the 835,000 people that have registered for the 10/90 and 20/80 housing schemes in Addis Ababa are to be re-registered yet again, in what the city claims is an effort to clear those who are not eligible for different reasons.

Table 2.2:- Rounds of distribution condo House

Round / Year	Condominium modules distributed up to the year 2016 G.C.				
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Sum
1st	4118	5677	6548	2645	18,988
2nd	2592	5070	6263	1106	15,031
3rd	2695	3679	3626	735	10,735
4th	2797	6755	4108	1372	15,032
5th	3088	4719	2028	934	10,769
6th	1255	4467	2747	1531	10,000
7th	2952	3594	433	321	7,300
8th	1326	4665	2952	1155	10,098
9th	2570	4423	2330	934	10,257
10th	6734	15670	7309	4327	34,040
11 th – 20/80	1600	3,800	5,600	5,750	16,750
11 th – 10/90	23,000	-	-	-	23,000
Total	<u>54,727</u>	<u>62,519</u>	<u>43,944</u>	<u>20,810</u>	<u>182,000</u>

Source: - official web page of Ministry of urban development & housing (March31- 2017)

2.4.3.1 Land provision and housing supply

Access to land and its affordability are formidable obstacles to housing development by the private sector in Addis Ababa as land is an important component of housing development process. Land and urban policy measures implemented by the previous and current governments have their impacts on the performance of the housing sector.

The housing sector has been subjected to a variety of interventions over the past. During the first half of the twentieth century, land and housing in Ethiopia were controlled by a select few individuals and groups who owned and tightly controlled land and housing development.

In 1974, the land and housing situation significantly changed as a result of the change of government. In July 1975, all urban land is nationalized in an effort to force Assessment of Affordability of Private Residential Developments in Addis Ababa a fairer distribution of wealth across the country. Moreover, the Derg intervened with incentives like:

- Land allocation without charge;
- Subsidy of building materials; and
- Making mortgage loans available at lower interest rates than the market.

Consequently, the rental price for low-cost housing has been significantly reduced. The low rental rates resulted in little to no investment in housing which led to a further deterioration of housing quality. Housing supply was controlled by the centralized government. Nevertheless, it was drastically insufficient to meet the large demand. Following overthrow of the ‘Derg’ by the Ethiopian People’s Revolutionary Democratic Front in 1991, the government has sought to introduce a more market orientated approach to housing development. With the introduction of the urban land lease holding proclamation in 1993, the government defined leasehold as the tenure form of choice. In addition to the land lease law, other measures include:

- Subsidies on the sale of building materials have been removed,
- Interest rates for housing construction have been set at the market rates, etc.
- Lease holding are made through auction and negotiation.

This led to the market rate interest and price of construction materials making the cost of owning a house ever more expensive. The land delivery system in Addis Ababa is still very much underdeveloped. Housing production is impeded primarily by a severe shortage of serviced residential plots. Moreover, low supply of serviced residential land in relation to demand has pushed land prices beyond the reach of the large majority of the city dwellers (UN Habitat,2010).

2.4.4 Key Players in Housing Development

According to Addis Ababa City Government, 2004 as cited in Haregewoin (2007) the main suppliers of housing in Addis Ababa are the public, cooperatives, individuals (formal), real estate developers and the informal sector. The dominant player in housing development is the state as it controls the majority of the rental accommodation and influences the supply of new housing units through active involvement in material production and importation, land supply, development of condominium housing and housing finance. The Government has taken the decision that low income housing development should primarily be undertaken by the public sector. This is a subsidized initiative to make houses affordable to the target group.

The programme was pioneered by the Addis Ababa City Government with support from GTZ in 1996. Addis Ababa has established the Housing Development Project Office (HDPO) as a semi-autonomous agency to supply housing at low and affordable cost. This is an ambitious plan to redevelop the *kebele* housing, by the construction of 4 storey walk-up blocks of flats for sale as condominium units. The aim was multi-faceted:

- to speed up supply of low-cost housing for the poor;
- to dandify and “renew” prime urban land;
- to boost the building/construction industry, and pump cash into the economy by generating employment opportunities for the poor; and
- To redevelop the existing run-down kebele housing and the residents into the new flats, thereby freeing up the land area for the construction of more new housing. Other kebele residents would be moved into this housing.

The Government’s plan to provide affordable housing to low- and middle-income through the condominium project has not been without problems, and the programme is increasingly coming under scrutiny because of doubts as to whether this scheme will provide sufficient affordable housing for the low and very low income groups. According to Meheret (2009) the concerns are:

- Lately, there have been sharp rises in prices of construction materials such as iron, cement, wood and other building materials. While this has not put a dent on the construction industry in the short-to medium term, its long term consequences and particularly its effect on the supply and demand for housing have yet to be seen.
- Although unit prices were set at the original estimate, many units are occupied by higher income households who can afford to pay full price “at one go” or a “larger down payment”. This means that moderate income families are benefiting from the scheme intended for poor and low-income households. The Government has not officially admitted the problem but they are aware that this is primarily caused by escalating costs of construction, which has rendered housing unaffordable for the poor;
- Many people have found it very difficult to adapt their living patterns to multi-storey living. Whether for this reason, or the opportunity for windfall profits, many families move out and sub-let their dwellings to higher income families. The gap between the amount paid by the official allotted and the rent he can charge can be as much as five times.

The Government is aware of the potential contribution of the private sector towards easing the housing problem and aims to encourage its participation in the housing industry (Meheret, 2009). As a result, private real estate developers have increasingly been involved in the construction of standard housing units, mainly for the middle and high income groups. To make housing affordable, the Federal government has been helping private developers through incentives, for example, giving free land to real estate developers to build rental housing for low-income families and also facilitating the supply of essential infrastructure, like water, roads, telephone and electricity services, etc. However, the efforts were to no avail.

The real estate market in Ethiopia is underdeveloped. Factors limiting the growth of the sector are the fact that there is only a single government-owned bank, i.e. the CBB, operating in the real estate, particularly housing, sector. For a long time, private banks have not been lured into the market due to risk factors in short-term financing, less profitability, and lack of experience. As a result of the government policy concerning land values, and the fact that a free market does not really exist, it is exceedingly difficult to establish a 'real' market price to determine the value of a residential unit. This increases the risk of mortgage lending. All this has meant that the real estate market and mortgage financing in Ethiopia have a long way to go before they reach the standard of many sub-Saharan countries.

The Government sees one of its roles as the principal provider of land for housing construction by co-operatives at subsidized prices. The Government also provides basic facilities, such as water, electricity, sewerage, telephone, etc. to reduce cost and make the houses affordable to the target group.

2.5 Housing finance

Pre-1974, urban land and housing was largely in private hands primarily owned and controlled by a small class of aristocrats. During 1974-1991, the Housing and Savings Bank was the only state bank lending money for housing construction, repair and extension subsidized rates. In September 1994, following change of government, the Housing and Saving Bank became the Construction and Business Bank (CBB) and are established as a universal bank to cater banking services, mainly financing loans for construction, repair, modification and acquisition of residential and nonresidential buildings. Moreover, in 1991 the policy of highly subsidized residential housing supply is abolished. As a result, a market-oriented system to housing development is introduced and a major effort to respond to housing demand and supply according to the dictates of the

market is launched. Furthermore, banking and insurance were opened up to private sector participation. However, by law, they are restricted to Ethiopian nationals. This has generated a non-competitive financial market structure.

Currently, there were three state-owned banks, and nine private banks. The largest bank is the government-owned Commercial Bank of Ethiopia accounting for 47 per cent of the total capital in the banking system. Penetration by the formal banking institutions into the urban housing finance market has been by and large minimal over the past four decades. Two decades ago, almost two-thirds of the urban population in the capital could not afford to borrow from the only formal sector financial institution offering mortgage loans at that time. On the other hand, many households that can afford to borrow under CBB terms choose to rely on traditional interest-free loans from friends and relatives or rely on personal savings for house construction (PADCO, 1998). The mortgage market in Ethiopia is not well developed. The absence of such a market has impeded the emergence of either savings institutions or long-term financing facilities in the country.

The overall low levels of penetration from the formal housing finance sector are the result of both government policy and cultural preference. On the one hand, high interest rates, stringent collateral and other impeding requirements for mortgage loans from the CBB and its predecessor have historically excluded a certain percentage of the urban population (Meheret, 2009).

Recently, government banks like the Commercial Bank and the Development Bank have joined the mortgage market but only in the commercial construction sector. The same is true of the emerging private bank sector. There is limited involvement in residential mortgage by public and private banks because of perceived high risk and shortage of experience. In recent years, micro-finance institutions (MFIs) have become increasingly important players. Since micro-finance institutions are viewed as effective mechanisms for poverty reduction, the loan policy of MFIs lays down that preference should be given to poor rural farmers and microeconomic activities of rural and urban communities with small cash requirements. Micro-finance institutions offer a potential area for intervention as a source of finance for the poor and low-income. According to information obtained from the Association of Micro-finance Institutions in Ethiopia, some relatively big micro-finance institutions have started extending small loans for housing.

2.6 Concept of Delays in project

Many studies have attempted to identify the causes that put construction projects behind planned schedule. For example, Baldwin and Manthei 1971 investigated delay causes in building projects in the United States. Sullivan and Harris 1986 examined delay causes in large construction projects in the United Kingdom. Kaming et al., (1997) analyzed the causes of time and cost overruns in high rise construction projects in Indonesia; Odeh and Battaineh (2002) investigated delay causes in large construction projects in Jordan.

The causes identified included design changes, poor labor productivity, and inadequate planning. Furthermore, previous studies showed that delays can be caused by owners, planners/designers, contractors, or acts of God. However, most studies focused mainly on identifying delay causes in the construction phase, rarely emphasizing on the planning and design phases. McManus et al., 1996, who evaluated delay causes in architectural construction projects, concluded that many delays manifest during all project phases and primarily occur during the construction phase; however delays that start in the design phase include inadequate schedule control by architects, inability of owners to review design in a timely manner, late incorporation of emerging technologies into a design, and ineffective coordination and/or inclusion of project user groups.

Basu 2005 identified factors at the start of a project that almost certainly lead to project delays and provided insight into the reasons for the delay and their impact on schedule. Toor and Ogunlana (2008) studied construction delays in Thailand. They found that the problems faced by the construction industry in developing economies like Thailand could be:

- a) Shortages or inadequacies in industry infrastructure (mainly supply of resources);
- b) caused by clients and consultants and
- c) Caused by contractor's incompetence/inadequacies.

They recommended that there should be concerted effort by economy managers and construction industry associations to provide the necessary infrastructure for efficient project management. Chan and Kumara swamy(2008) conducted a survey to determine and evaluate the relative importance of the significant factors causing delays in Hong Kong construction projects.

They analyzed and ranked main reasons for delays and classified them into two groups:

- i. The role of the parties in the local construction industry (i.e. whether client, consultants or contractors) and
- ii. The type of projects.

Results indicated that five major causes of delays were: poor site management and supervision, unforeseen ground conditions, low speed of decision making involving all project teams, client initiated variations and necessary variations of works. Odeyinka and Yusif (1997) have addressed the causes of delays in building projects in Nigeria. They classified the causes of delay as project participants and extraneous factors. Client-related delays included variation in orders, slow decision-making and cash flow problems.

Contractor-related delays identified were: financial difficulties, material management problems, planning and scheduling problems, inadequate site inspection, equipment management problems and shortage of manpower. Extraneous causes of delay identified were: inclement weather, acts of nature, labor disputes and strikes. Al Momani(2000), carried out a quantitative analysis on construction delays in Jordan.

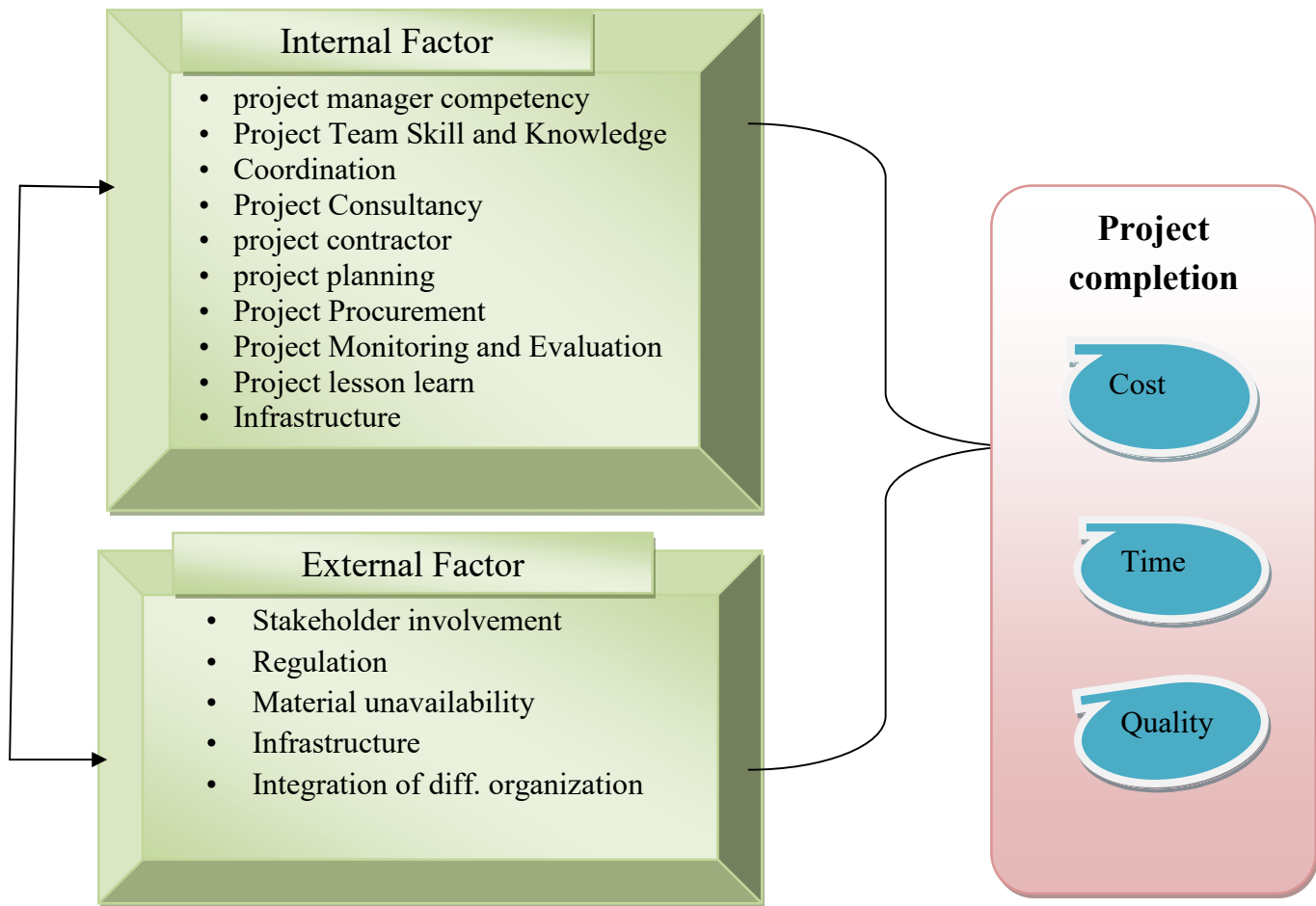
Results of the survey indicated that contractors and consultants agreed that owner interference, inadequate contractor experience, financing and payments, labor productivity, slow decision making, improper planning, and subcontractors were among the top ten most important factors. Frimpong et. al., conducted a survey to identify and evaluate the relative importance of significant factors contributing to delay and cost overruns in Ground water construction project(Education and Research,2014 Vol. 2 No. 4).

2.7 Conceptual Framework

A conceptual framework is an analytical tool with several variations and contexts. It is used to make conceptual distinctions and organize ideas. Strong conceptual frameworks capture something real and do this in a way that is easy to remember and apply.

A researcher tried to develop a conceptual frame work it related to the research study area and the concept of project management.

Fig. 2.1 Conceptual frame work of the research



Source: Developed by researcher 2017

CHAPTER THREE

3. RESEARCH METHODS

- **Introduction**

This part aims at elaborating the methodological process that was used; it outlines how the research was conducted based on the objective of the study. It is organized in the manner of limitation, research design, target population, sampling strategy, data collection tools and techniques, and data analysis used in the study.

3.1 Research Design

The study used mixed research design method which is qualitative and quantitative methods. “Quantitative research is used to answer questions about relationships among measured variables with the purpose of explaining, predicting, and controlling phenomena.”(Leedy& Ormrod, 2001).

The study uses factors affecting housing deliveries techniques to extract variables to measure consistency of systems and practices applied in the execution of condominium houses against acceptable standards used in the delivering of houses.

The qualitative approach is used to evaluate the policy implications and the processes applied towards condominium houses in Addis Ababa. The researcher used descriptive type of design and answered the objective of the research. Descriptive research design is used to describe an event or phenomena as it exists at present and is appropriate when the study is concerned in specific predictions, narrative of facts and characteristics concerning individuals or situations (Kothari, 2003).

3.2 Target population

The participants were Gulele housing development project office employees, project office managers, supervisors and employees of project sites which are (**Bereket site, wetader sefer site, Jemo Gara site and Fanuel site**). Under Gulele housing development project office there are 102 employees working and each project office 50 permanent and contract type professional workers working together. Therefore total population size is 302 employees.

The researcher used Purposive sampling technique. In addition to the questionnaires, the study was conducted through semi structured interview and document analysis. Since the research is

mainly focused on “Gulele” Housing and Development Project Office condominium housing project. The participants were the staff and the management of the condominium housing project was selected on the judgment of the researcher.

3.3 Sampling Strategy

The research is a case undertaken at Gulele Housing and Development Project Office, Addis Ababa. The participants were representatives from GHDPO. A questionnaire was distributed to participants (employees from Gulele Housing Development Project office, four site supervisors and employees working in the project site). The participants were selected using judgment sampling technique from GHDP office and from four project sites.

“Judgmental sampling is a form of convenience sampling in which the population elements are selected based on the judgment of the researcher. The researcher, by exercising judgment of expertise, chooses the elements to be included in the sample because he or she believes that they are representative of the population of interest or otherwise appropriate (Naresh, 2007).

According to Saunders et al (2009), this method is appropriate for small inquiries and researches by individuals. It is appropriate if the research is aimed at explaining a phenomenon rather than making a generalization. Therefore based on the above technique process leaders (functional managers), project managers and officers who participated in the Project office and employees worked in project sites. The purpose of the study is to assess the factors that affect housing delivery of the condominium.

The sampling technique is purposive sampling which is categorized under non-probability sampling. The main reason for selecting this method is due to its time and cost advantage.

The sample of the study consisted of six (6) of the process leader managerial staffs who manage the overall project activities in Gulele housing development project office (Building & Contract Administration Process, Finance process, Procurement process, Property distribution & Administration process, HR process, MSEs Support Process) and 24 project team members (from six work process in the project) involved in the implementation of the project who are selected judgmentally and also 40 employees selected from four project site who worked permanently the project site (from each project site selected 10 employees judgmentally). From the total

population the researcher employed those who are ordinary staff of the project in order to cross-check reliability of the collected data from the above listed participants.

Considering the very limited time and resource available, the sample size for this study from 302 total populations were 70 which mean (30 employees were selected from project office and 40 employees were selected from for project site each project site 10 employees as a sample as purposive sampling methods). Therefore; the total number of sample of the study in the project office was 70. The researcher kept in mind ethical issues in the process of involving the participants and did the best to get their consent

And for the interview 3 representatives of GHDPO and 2 representatives from Head office of AAHDPO were taken as a sample.

Ethical considerations were applicable in the process of data collection. Subjects of the study were aware of the whole process; there consent was checked through a formal agreement before data collection. The other issue is anonymity and confidentiality which is about keeping the participants/subjects name in order to keep them from all physical and mental consequences. Who is conducting the research, what outcomes are expected and who will benefit from the result was disclosed for respondents before data collection

3.4 Data Sources and Data Collection Tools and Techniques

Primary and secondary data sources were used to collect data for the research. Questionnaires and direct interview was used as primary data sources. Both were applied to find out factors that affect housing delivery.

3.4.1 Questionnaire

The researcher preferred questionnaire as the main data gathering tool because it is the most appropriate means to collect the necessary information within a given time frame. In supporting this, Wilkinson and Birmingham (2003) have argued that the questionnaire is a preferable data gathering tool which enables to effectively collect data in a planned and manageable ways. Furthermore, the questionnaire can be very detailed, help to cover many subjects or issues and can be easily and quickly analyzed once field data gathering work was completed. Therefore, the researcher developed questionnaires to collect detailed information about condominium housing project.

For data process and procedures, the study was use three types of questions: multiple-choice, rating and open-ended questions to get a descriptive opinion of the participant and for triangulation purpose.

3.4.2 Interview

The researcher was used semi-structured interview to gather data regarding the study problem from project officials 3 officials from Gulele HDPO and 2 officials from AAHDO totally 5 officials selected for interviews. Which are (Gulele housing development project office Manager, Two project site super visor from four project site and from head office process leader of Research planning and budget department and Head office HR representative). This was because interview is appropriate to get depth information from better positioned individuals.

During the interviews, a set of complied questions with brief background for conducting the research study was presented to the respondents.

3.4.3 Document Analysis

The secondary data sources, specifically literature reviews and online resources, were used to study general delivery standards, specification and guidelines of the bureau. Official statements of policy objectives, authorized by government, are a central focus for policy analysis. These include official documents, such as White Papers, as well as memos or statements by key decision makers (Pasteur, 2001: 3). The researcher used documents ware GTP1 & GTP2 plan document and GTP1 plan performance review document, each project constriction performance reviewed by head office and also conduct for White Papers and other official documents regarding housing and housing policy in Ethiopia. Pasteur (2001: 4) states that “statements of policy can only be put into practice if they are translated into measures, such as laws, regulations, programs and projects that facilitate implementation”. Government publications, archival records, research findings, articles, reports and other related publications on condominium housing projects were also used as secondary data source.

As indicated earlier Four condominium project site is chosen for the research study “Gulele Housing Development Project office” (**Bereket site, wetader sefer site, Jemo Gara site and Fanuel site**).. The participants were expecting to express their belief and experiences.

3.4.4 Procedure of Data Collection

The questionnaires and interview questions were prepared in English. The official language of the Project office is Amharic and this calls for translation of the instruments into Amharic. This helps to avoid communication barrier on one hand, and to make the respondents freely and confidently react to the questions on the other hand. The researcher hired assistant data collectors as the project sites were geographically apart from one another which are (**Bereket site, wetader sefer site, Jemo Gara site and Fanuel site**) and cannot be managed only by the researcher within the time available. However, the interview sessions with the project office concerned body and document analysis was held by the researcher himself.

3.5 Validity and Reliability

Validity and reliability issues are used for checking quality of instrument. These are the criterion for evaluating the research tools.

According to Pasteur (2001: 4), policy statements can offer a valuable source of information, but should not be too heavily depended upon as proof of practice. At the same time however, a lack of documented policy should not automatically be viewed as representing a fissure in policy (Pasteur, 2001: 4). The researcher takes cognizance of the fact that many policy actors may have other political and personal agendas that may influence their responses in interviews (Pasteur, 2001: 8). As a result, careful consideration was took when including statements from interviews into this study. The information on the GHDP was obtained from key people who were intimately involved with the project itself. Documentation on the National Housing Policy and Housing Allocations Policy were gathered from the National Department of Housing's website, thereby adding to the reliability of the study. Although every effort was made to ensure comprehensive coverage of the most important issues, a possible obstacle to the reliability and validity of this study could be omissions with regards to literature and statistics.

Validity of the questionnaire was done through consultations with the advisor. This was established any built-in errors in the measurement of the questionnaire. The researcher also done alpha test to check reliability, of the questionnaire.

The instrument for factors affecting housing delivery questionnaire was pilot tested for reliability to ensure internal consistency. Cronbach's alpha was used to examine the effect of each multiple scale item. The reliability of all the constructs exceeds the recommended cut-off value (0.7). According to Hair and others (1992) an alpha of 0.70 or greater is deemed acceptable.

Table 3.1 : Reliability Statistics

Cronbach's Alpha	N of Items
.782	38

Source; own source from SPSS data output 2017

3.6 Data Analysis Methods

On the analysis section, the data gathered from different sources were analyzed and interpreted. This is the process of collecting, modeling and transforming data in order to highlight useful information, suggesting conclusions and supporting decision making (Sharma, 2005). The data gathering was analyzed in relation to the industry's standards and principles. Data was analyzed using Descriptive analysis and SPSS software.

The analysis and discussions made on the research findings both qualitatively and quantitatively. The findings of the quantitative data were presented in tables and charts. Summarizations are also made based on results of the findings.

3.7 Ethical Issues

Ethics are standards of behavior that guide the moral choices about our behavior and our relationship with others. All parties in research should observe ethical behavior. Research ethics was put into consideration when developing and administering data collection tools and techniques, to avoid any form of destruction or violation. This was done through obtaining consent before the research; ensuring confidentiality of data obtained and learning more about the organization's culture and project before the research and where necessary absolute sensitivity and caution was exercised.

CHAPTER FOUR

4. RESEARCH FINDINGS AND DISCUSSION

- **Introduction**

This chapter gives an outline of the research finding and a discussion of the various responses gathered from the questionnaire, interviews and Documents. The study set out to establish an assessment of factor affecting the delivery of housing project in Addis Ababa condominium Project the case of Gulele Housing and Development Project.

The findings formed the basis of the analysis and presentation to follow and serve as a basis on which conclusions and recommendations were made. Data was presented in form of tables, pie charts, pictures, percentages and description. Data was collected using of questionnaires, interviews, and document reviews. To analyze the collected data with that of the objective set for this research, statistical procedures were carried out using SPSS Statistics version 20.00 and analyzed using descriptive statistics. The chapter opens with the demographic description of participants involved in the study.

Part One

4.1 Demographic Characteristics of the Respondents

Before discussing the data related to the major items, a summary of demographic characteristic of the respondents was presented below. Descriptions of the demographic Characteristics of the target population give some basic information about sex, age, educational status and work responsibility of the respondents. Since demographic characteristics of a given population have their own implication and relation with housing deliveries of such particular project specially they have their direct reflection on assessment of factor affecting housing deliveries in Addis Ababa specific Gulele housing and development Project.

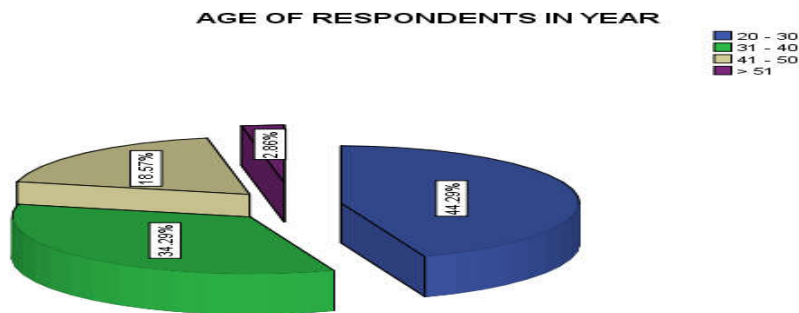
4.2 Characteristics of the respondents by age

Table 4.1 Respondents by their Age

AGE OF RESPONDENTS IN YEAR					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 – 30	31	44.3	44.3	44.3
	31 – 40	24	34.3	34.3	78.6
	41 – 50	13	18.6	18.6	97.1
	> 51	2	2.9	2.9	100.0
	Total	70	100.0	100.0	

Source; - Own survey 2017.

Figure 4.1 Age of Respondents

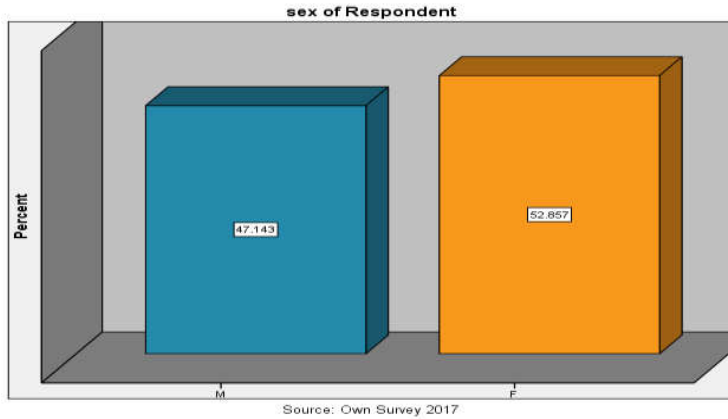


source; own survey 2017

Table 4.1 indicates that out of 70 respondents 31(41.7%) were aged between 20 and 30 years, 24 (34.3%) were aged between 31 and 40 years, 13 (18.6%) were aged between 41 and 50 years, while only 2 (2.9%) were aged 51 and above years. The highest proportion of the respondents was within the age 21-30 years followed by age 31-40. These two age groups were the reproductive age group both in terms of economic and fertility perspectives. Thus, they have even high potential for working capacity which has direct impact on housing delivery and this is the opportunity of the project.

4.3 Characteristics of the respondents by sex

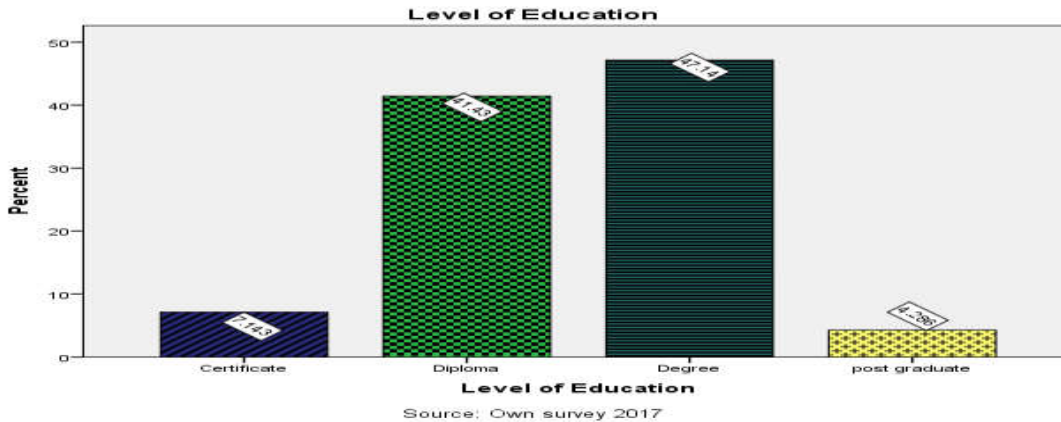
Figure 4.2 Sexes of Respondents



The survey indicated that, out of the total 70 respondents 33 (47.143%) were males while 37 (52.857%) were females (Figure 4.2).

4.4 Educational background of the respondents

Figure 4.3 Educational level of Respondents



Regarding their educational background out of 70 total respondents 36 (51.4 percent) had first degree and above, 29 (41.4 percent) had diploma, 5 (7.1 percent) certificate they filled the questionnaires (Figure 4.3). Based on the respondent data the number of respondent with educational level expresses the project office 92.9 % of respondent educational level are Diploma and above which means the project office organized by professionals and semi professional’s worker. This is also an opportunity of the project.

4.5 Work experiences of the respondents

Table 4.2 Work Experience of Respondents

Years of work experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 2 year	8	11.4	11.4	11.4
	3 - 5 years	35	50.0	50.0	61.4
	6 - 10 years	15	21.4	21.4	82.9
	11 – 15	6	8.6	8.6	91.4
	above 15 years	6	8.6	8.6	100.0
	Total	70	100.0	100.0	

Source: - Own survey 2017.

Regarding their Years of work experience out of 70 total respondents 8 (11.4%) has below two years experience, 35 (50.0%) has 3 up to 5 years of work experience, 15 (21.4%) has 6 up to 10 years work experience 6(8.6%) of respondent has 11 up to 15 years experience and 6(8.6%) of respondent has above 15 years experience they filled the questionnaires (table 4.2). Based on the respondent data the number of respondent with years of work experience expresses the project office 61.4 % of respondents work experiences are less than 5 years and the remaining 38.6 % of respondent are highly experienced the respondent work experience is greater than 5 years.

4.6 Place of assignment of the respondents

Table 4.3 Place of job assignment of the respondents

your present responsibility					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Process leader	6	8.6	8.6	8.6
	project officer	24	34.3	34.3	42.9
	project contract worker	19	27.1	27.1	70.0
	project supervisor	4	5.7	5.7	75.7
	Project consultant	4	5.7	5.7	81.4
	Other	13	18.6	18.6	100.0
	Total	70	100.0	100.0	

Source: - Own Survey 2017.

As shown on table 4.3 above, the respondent present job responsibilities are a mix of different concerned departments. As explained in the research methods part the sampling technique was

judgmental sampling. Then from 70 respondent 30 respondents were selected from project office different department and also 40 respondents were selected from four project site, 6(8.6%) from Project Process leader 24(34.3%) respondent from project officer position 8(11.4%) respondents are working in project consultant and Project supervisor and 32(45.7%) respondents are working in project contract worker and other different professionals workers. This indicates the researcher tried to participating different concerned department of the project office based on judgmental sampling and random sampling from four project site.

Part Two

This part interprets and analyzed the major question of case study which related to factors affect housing delivery in the selected case project office and also specially to give answer research question which were rising in chapter one.

4.7 Respondents expectation of waiting period of people

The researchers tried to find how many years the people wait before getting the chance by using questioner, interview and document review.

Table 4.4 waiting period of people before getting chance

How long the people waiting period before get chance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	five year	2	2.9	2.9	2.9
	above five year	68	97.1	97.1	100.0
	Total	70	100.0	100.0	

Source: Own survey 2017.

The above data (Table 4.4) shows that, out of the total 70 respondents 68 (97.1%) respondents respond waiting period of the people before getting the chance is more than 5 years and 2(2.9%) respondent expect the waiting period is equal to 5 years. According to the interviewee from the head office of HDPO and GHDPO all are agreed that the peoples are waited an average more than 5 and above years before getting the chance and also based on the document reviews the people registered for getting house was started 1997E.C but the people does not completely got the chance until now. This indicates that average waited period was more than 5 years and above.

4.8 Housing supply

Housing demand is the number of house units that are actually needed by the people at a particular point in time, while housing supply is the number of residential units that are provided by the key players in the accommodation provision.

Integrated Housing Development Programs have offered strategies for improving housing delivery in Ethiopia. The GTP1 Housing Plan estimated that 5000 housing units would be built each project in each year, but the actual performance show that not meet the expected target.

Table 4.5 Number of constructed House in Addis Ababa City Administration From 1997- 2008

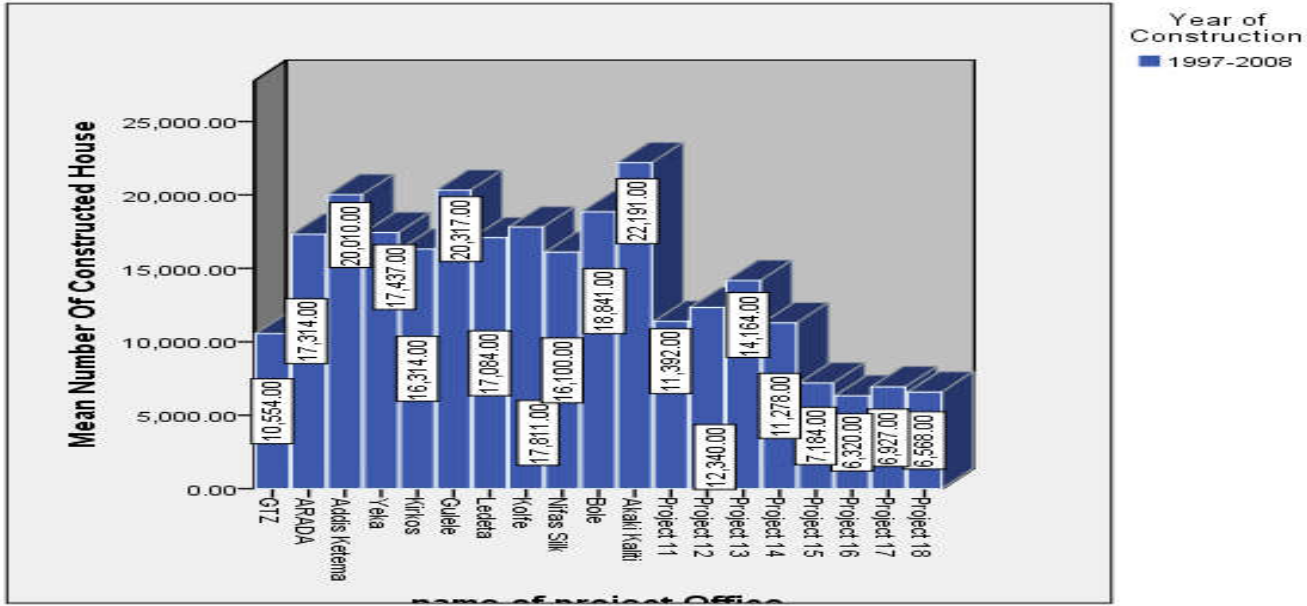
no	Name of Project	Total House Constructed In year 1997 – 2008								
		1996 - 1997	1999-2000	2001-2002	2003	2004	2005	2006	2007/08	Total from 1997-2008
1	GTZ	10554	0	0	0	0	0	0	0	10554
2	Arada	2017	0	4482	0	6337	0	1316	3162	17314
3	Addis Ketema	1021	5001	404	0	0	7295	6289	0	20010
4	Yeka	1762	3269	0	3706	0	0	0	8700	17437
5	Kirkos	1719	2433	1954	1235	2106	6867	0	0	16314
6	Gulele	1019	3389	3144	570	5775	0	0	6420	20317
7	Ledeta	1285	6675	2009	384	6731	0	0	0	17084
8	Kolfe	6905	0	2913	2619	0	0	0	5374	17811
9	Nifasilk Lafto	2242	0	3830	0	0	10028	0	0	16100
10	Bole	2359	2644	1368	3442	0	0	0	9028	18841
11	Akaki Kaliti	1342	4295	250	5231	119	0	10954	0	22191
12	project 11	0	0	0	0	5013	0	6379	0	11392
13	project 12	0	0	0	0	5713	0	6627	0	12340
14	Project 13	0	0	0	0	5944	1698	0	6522	14164
15	Project 14	0	0	0	0	7138	654	1263	2223	11278
16	Project 15	0	0	0	0	0	7184	0	0	7184
17	Project 16	0	0	0	0	0	0	6320	0	6320
18	Project 17	0	0	0	0	0	0	6927	0	6927
19	Project 18	0	0	0	0	0	0	6568	0	6568
-	Total	32225	27706	20354	17187	44876	33726	52643	41429	270146

Source: - A.A HDPO 2017

From interview information annual construction plan of each project are 5000 house per year and the construction duration for G+4 building take 1 year and G+7 building take 1 year and 8 month. According to this information we calculate simple mathematical calculation it expect 755,000

G+4 house if the project run without any obstacle and shortage with in effective performance. For the last 11 years from 1997 up to 2008 number of constructed house are 270,146. But the number of constructed house is very far from the expected number this indicates that the projects hinder different factors.

Figure 4.4 total number of constructed condo house in Addis Ababa 1997-2008



Source: Own Survey 2017

4.9 Housing demand in Addis Ababa

Demand is influenced by several economic factors, such as increased economic activity that has led to increased demand for labor and rural–urban migration.

Table 4.6 Numbers of Registered People

Registered number of house need in Addis Ababa in all programs				
No	Programs	Male	Female	Total
	10/90	9,647.00	12,677.00	22,324.00
	20/80	87,197.00	44,974.00	132,151.00
	20/80 New registered	355,394.00	270,603.00	625,998.00
	40/60	95,429.00	69,258.00	164,687.00
	Associations	0	0	2,216.00
	Total	547,667.00	397,512.00	947,376.00

Source;- Official web page of Ministry of Urban Development & Housing (March31- 2017).

The result in table 4.6 shows that there are 947,376 people registered in all program and the highest number of people demand is 20/80 housing project this indicates according to urbanization and different factor the housing demand of the people live in Addis Ababa is high.

4.10 Number of Distributed house from 1997 – 2008E.C

Table 4.7 Number of house distributed to the people

Round / Year	Condominium modules distributed up to the year 2016 G.C.				
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Sum
1st	4118	5677	6548	2645	18988
2nd	2592	5070	6263	1106	15031
3rd	2695	3679	3626	735	10735
4th	2797	6755	4108	1372	15032
5th	3088	4719	2028	934	10769
6th	1255	4467	2747	1531	10000
7th	2952	3594	433	321	7300
8th	1326	4665	2952	1155	10098
9th	2570	4423	2330	934	10257
10th	6734	15670	7309	4327	34040
11th – 20/80	1600	3,800	5,600	5,750	16,750
11th – 10/90	23,000	-	-	-	23,000
Total	54,727	62,519	43,944	20,810	182,000

Source: - A.A HDPO 2017

According to the above data from the total registered and waiting people only 182,000 peoples got the chance and revived house the remaining 765,376 people still waiting the chance and also the last 11 years the project office totally constructed houses including not completed houses (Table-4.5) are 270,146, then the number of distributed house comparing to the people waiting the chance the number of houses addressed only 28.5%. So the number indicates that the housing construction projects are not meeting the expected number of registered people waiting the chance.

4.11 Construction contract

A construction contract is a mutual or legally binding agreement between two parties based on policies and conditions recorded in document form. The two parties involved are one or more owners, and one or more contractors. The owner has full authority to decide what type of contract should be used for a specific development to be constructed and to set forth the legally-binding terms and conditions in a contractual agreement.

Table 4.8- Respondents expectation of Construction Contract Duration

Construction Contract Duration					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.9	2.9	2.9
	Disagree	8	11.4	11.4	14.3
	Neutral	20	28.6	28.6	42.9
	Agree	35	50.0	50.0	92.9
	Strongly Agree	5	7.1	7.1	100.0
	Total	70	100.0	100.0	

Source: - Own Survey 2017.

Regarding the respondent answer from 70 total respondents 40(57.1%) of respondent their expectation is agree and strongly agree that the contract duration is affect the delivery of housing project and 10(14.4%) of respondent doesn't agree the contract duration affects the project delivery. The remaining respondent 20(28.6%) of respondent respond neutral which means the respondents do not have any information about the contract issue, in addition to the above data at the time of interview the interviewees says that the contract administration system is weak. And also the project office doesn't have a mechanism to action of the contractor based on the contract time dalliance because of the problem was raised in both side then the project office going on the project by compromising the problems. A construction contract is a base line document to control the project performance based on project triangle (Time, Cost and Standard). Therefore in the project office contract administration is a major factor that affects delivery of housing project.

4.12 Project Financing

Project finance is the financing of long-term infrastructure, industrial projects and public services based upon a non-recourse or limited recourse financial structure, in which project debt and equity used to finance the project are paid back from the cash flow generated by the project.

Table 4.9 - The respondent's expectation of Project Financing

Project financing					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.9	2.9	2.9
	Disagree	4	5.7	5.7	8.6
	Agree	35	50.0	50.0	58.6
	Strongly Agree	29	41.4	41.4	100.0
	Total	70	100.0	100.0	

Source: - Own survey 2017.

According to the respondent from total 70 respondent 64(91.4percent) of respondent agree and strongly agree financing is a factor that affects the project delivery and only 6 (8.6 percent) of respondents do not agree about financing as a factor that affects the delivery of housing project.

And also according to AAHDPO GTP1 performance review document and the interviewee from GHDPO and AAHDPO said that the housing projects is financing by the Bond loan from commercial Bank of Ethiopia(CBE), then based on the countries financing different huge projects the financing problem and the lengthy process is a major factor that affects the delivery of the project.

4.13 Project managers competency

Table 4.10 Respondents expectations on Project Manager’s Competency

Project Manager’s Competency					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.0	10.0	10.0
	Disagree	29	41.4	41.4	51.4
	Neutral	3	4.3	4.3	55.7
	Agree	19	27.1	27.1	82.9
	Strongly Agree	12	17.1	17.1	100.0
	Total	70	100.0	100.0	

Source:- Own Survey 2017.

According to the respondent information from the total 70 respondents 7(10%) of the respondents strongly disagree the project managers competency affect the project delivery 29(41.4) of respondent disagree and 3(4.3%) of respondent neutral 12(17.1%) of respondent Strongly Agree the project managers competencies affect the project delivery and also 19(27.1%) of respondents Agree.

Project managers, in general, have no formal authority, though they are held responsible for the overall success of the project. They are responsible for managing the interaction between all stakeholder groups, each of whom their own expectations and project success criteria have. The project manager is often well served by putting their egos aside and keeping a necessary emotional distance from their work. Summarized, the position of project manager demands an overall defined skill set and personality profile.

The Project Management Institute (PMI) identifies three different competency dimensions: knowledge, personal and performance. Both the knowledge as performance competencies are organized around the nine project management knowledge areas described in the Guide to the Project Management Book of Knowledge (PMBOK Guide). The personal competencies are broken up into 6 areas: achievement and action, helping and human service, impact and influence, managerial, cognitive, personal effectiveness (PMI 2002).

4.14 Project Planning

Planning, in general, can best be described as the function of selecting the enterprise objectives and establishing the policies, procedures, and programs necessary for achieving them. Planning in a project environment may be described as establishing a predetermined course of action within a forecasted environment. The project’s requirements set the major milestones. If line managers cannot commit because the milestones are perceived as unrealistic, the project manager may have to develop alternatives, one of which may be to move the milestones. Upper-level management must become involved in the selection of alternatives (H.Kerzner, 2003).

Table 4.11, Respondents response for Project Planning

Project Planning					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.9	2.9	2.9
	Neutral	2	2.9	2.9	5.7
	Agree	55	78.6	78.6	84.3
	Strongly Agree	11	15.7	15.7	100.0
	Total	70	100.0	100.0	

Source:- own survey 2017.

According to the respondent information from 70 total respondent 66(94.3%) of respondent Agree and strongly agree the project planning is affect in the project office and 2(2.9%) of respondent neutral, 2(2.9%) of respondent respond disagree the project planning is affect the project deliveries.

Planning a project is only the first step in successfully managing a project. After you plan the work, you have to work the plan. You must make sure that the work you agreed to deliver is completed within the timeframe and budget allocated (PMI).

According to the above information on table4.11 from the total respondents 94.3% of respondent agree the project plan is affect the project deliveries beside the questioner respondents the interviewees agreed that the project implementation plan is different from the actual implementation regarding with the time schedule. Plan is a bench mark for the project performance. If the project has a plan problem basically the project delivery is not completed the expected time, cost and standard.

4.15 Project Procurement

Procurement can be defined as the acquisition of goods or services. Procurement (and contracting) is a process that involves two parties with different objectives who interact in a given market segment. Good procurement practices can increase corporate profitability by taking advantage of quantity discounts, minimizing cash flow problems, and seeking out quality suppliers because procurement contributes to profitability (H. Kerzner, 2003).

Table 4.12 Respondents response for Project Procurement

Project Procurement					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.9	2.9	2.9
	Neutral	6	8.6	8.6	11.4
	Agree	47	67.1	67.1	78.6
	Strongly Agree	15	21.4	21.4	100.0
	Total	70	100.0	100.0	

Source; - Own survey 2017.

According to the respondent information from the total 70 respondents gave their answer for the question Project Procurement is a major factor affect the delivery of project in the project office? 62(88.5%) of respondents agree and strongly agree procurement is a factor and 2(2.9%) of respondent disagree procurement is a factor 6(8.6%) of respondents are neutral. In addition to the questionnaire the researcher tried to find the procurement is a factor of project delivery? By using interview for GHDPPO managers and AAHDPO Research plan and budget department process leader. According to the interviewee's information both are agree the procurement are a major problem in the project office, the reason the procurement policies are give right to procure materials at central level and in the project office gives right only purchase

- Blocket
- Precast
- Crash stone

As a project organization the project office doesn't have any right to purchase any insufficient materials from starting of the construction up to completing the project. This central procurement leads the project dalliance because of the warehouse problem and the time to need the delivery of material from center to project office as soon as project site, and also regarding to bulk purchase

the bidding process take more time sometimes the bid process fail and rebidding process take more time regarding to compliance and legal issues. The international purchasing process also takes more than 6mont for one round purchase. Beside the above information the project office procure the above three material from association organized by MSEs related to the MSEs financial and technical capacity problem and the distance of production areas of MSEs far from the project office, the project office hinder challenges related to time, cost and quality. Based on the project office information the project office pay for one precast lbr per kilometer, so the distance is increase relatively the cost also increase Therefore procurement was in the project office a major problem.

4.16 Communication with project team

Table 4.13 Communications within the project team

Communication within the project team					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	8.6	8.6	8.6
	Disagree	47	67.1	67.1	75.7
	Neutral	12	17.1	17.1	92.9
	Agree	5	7.1	7.1	100.0
	Total	70	100.0	100.0	

Source; - Own survey 2017.

According to the respondent information from the total 70 respondents 53 (75.7%) of the respondents strongly disagree and disagree about communication within the project team is a factor and affects the delivery of project, 12(17.1%) of respondent respond neutral and 5 (7.1%) of respondent agree and strongly agree it is a factor. Based on the above information and the interviewee’s response the GHDP office team members have a good communication within the project team. Therefore communication within the project team is not a major factor of housing delivery in GHDPO.

4.17 Communications within the project manager and the project team

Table 4.14 Respondents expectation communications within the project manager and the project team

Communication within the project manager and the project team					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	5.7	5.7	5.7
	Disagree	56	80.0	80.0	85.7
	Neutral	5	7.1	7.1	92.9
	Agree	5	7.1	7.1	100.0
	Total	70	100.0	100.0	

Source: Own survey 2017.

According to the respondent information from the total 70 respondent 60 (85.7%) percent of the respondent strongly disagree and disagree about Communication within the project manager and the project team is a factor it affect the delivery of project, 5 (7.1%) of respondent respond neutral and 5 (7.1%) of respondent agree and strongly agree it is a factor. Based on the above information (Table4.14) and the interviewee's response the GHDP office team members have a good communication within the project manager.

4.18 Contractor Selection

Table 4.15 Respondents responses for Contractor Selections

Contractor Selection					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	7.1	7.1	7.1
	Neutral	13	18.6	18.6	25.7
	Agree	44	62.9	62.9	88.6
	Strongly Agree	8	11.4	11.4	100.0
	Total	70	100.0	100.0	

Source: own survey 2017.

The researcher tried to check the contractor selection mechanism by raising the question for the interviewees, does the project office give concentration for contractor selection? Answer the question by the questioner and interview of data collection mechanisms. According to the total 70 respondent 5 (7.1%) of respondent disagree 13 (18.6%) neutral and 52 (74.3%) of respondent agree and strongly agree that the contractor selection affects the delivery of the project.

In construction project the contractors share a lion share of the activities. A contractor is responsible for providing all of the material, labor, equipment (such as engineering vehicles and tools) and services necessary for the construction of the project. The general contractor hires specialized subcontractors to perform all or portions of the construction work.

The Contractor is also responsible for the quality of all work performed by any and all subcontractors. The General Contractor's number one priority is safety on the jobsite. Then contractor selection is needed a serious of criteria according to technical capacity, financial capacity. And also the interviewee’s information the contractor selection is processed at head office level and based on the IHDP policy participant contractors are level 3 and level 4 contractors. The reasons for selecting this level of contractors are for improving the MSEs internal capacity and knowledge transfer. Thus the above questionnaire respondents and the interviewee’s information explains the contractor selection is one of the major factor affecting the project delivery because of the contractor lack of financial capacity, lack of experience and technical skill problem.

4.19 Monitoring and Evaluation of the project (Supervision/ inspection of work)

Monitoring and evaluation (M&E) is a process that helps improve performance and achieve results. Its goal is to improve current and future management of outputs, outcomes and impact. It is mainly used to assess the performance of projects PMBOK.

Table 4.16 Supervision/ inspection of work (M&E)

Supervision/ inspection of work (M&E)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	4	5.7	5.7	5.7
	Agree	44	62.9	62.9	68.6
	Strongly Agree	22	31.4	31.4	100.0
	Total	70	100.0	100.0	

Source: - Own survey 2017.

According to the above table 4.16 information from the total 70 respondent no one respondents respond disagree and strongly disagree for the question Monitoring and evaluation is a factor? But 4 (5.7%) of respondent response neutral and the remaining 66 (94.3%) of respondent agree and strongly agree the M&E are a factor it affect the delivery of project. Beside the questioner the

researcher tried to search additional information related to M&E by document review and interviews.

Based on the interviewee’s information GHDPO doesn’t have organized monitoring and evaluation activities. But by the building and contract administration department there are a capacity building and follow up activities to some extent. In the Project office focuses the staff organization and related activities like 5 in 1 organization BPR and BSC.

Monitoring is a continuous assessment that aims at providing all stakeholders with early detailed information on the progress or delay of the ongoing assessed activities. It is an oversight of the activity's implementation stage. Its purpose is to determine if the outputs, deliveries and schedules planned have been reached so that action can be taken to correct the deficiencies as quickly as possible.

No one in the project office level work monitoring and evaluation activities that performance of the project comparing with the given time frame, the approved budget and also no corrective action for the dalliance of project.

4.20 Local Ground Condition

Table 4.17 Local Ground Conditions

Local Ground Conditions					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	8.6	8.6	8.6
	Neutral	26	37.1	37.1	45.7
	Agree	31	44.3	44.3	90.0
	Strongly Agree	7	10.0	10.0	100.0
	Total	70	100.0	100.0	

Source: Own survey 2017.

Sometimes different local ground rules affect the project performance. According to the respondent information from the total 70 respondent 6 (8.6%) of respondent disagree the local ground rule affect the project performance 26 (37.1%) of respondent response neutral and 38(54.3%) of respondent responses agree and strongly agree the local ground rule is affect the project performance.

4.21 Scope change

Scope changes are inevitable and have the potential to destroy not only the morale on a project, but the entire project. Scope changes must be held to a minimum and those that are required must be approved by both the project manager and the customer/user (H.Kerzener, 2003)

Table – 4.18 Respondents expectation of Scope change

there is a continues scope change within the project implementation time					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	2	2.9	2.9	4.3
	Agree	42	60.0	60.0	64.3
	Strongly Agree	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

Source: own survey 2017

According to the respondent information from the total 70 questioner respondent 67 (95.7%) of respondent agree and strongly agree there are a continuous scope change in the project office the remaining 3 (4.3%) of respondent respond neutral. Based on the interviewees information in the project activities there are a continuous scope change related to the building design change, the earth work and typology of the project. So scope change is in project environment it is inevitable but the change is continuous it affect the project cost and project completing time. Based on the interview information repeatedly design change are happened the reason of this are the design department are not organized skilled and experienced man power based on this in the project implementation time repeatedly design change problem is occurred this also affect the project completion time and increase the project cost. Therefore scope change is a major factor affecting the delivery of housing project.

4.22 Project support

Table 4.19 Assistance from outside the project office

Do you get the project office any assistance with regards to housing project problems?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	67	95.7	97.1	97.1
	No	2	2.9	2.9	100.0
	Total	69	98.6	100.0	
Missing	No response	1	1.4		
Total		70	100.0		

Source: own survey 2017.

According to the respondent information from the total 70 questioner respondent 67 (95.7%) of respondent responses Yes we got the support from outside the project office, the remaining 3 (4.3%) of respondent respond No. therefore assistance from outside the project office is not a factor of the project office.

4.23 Project management strategies

Table 4.20 Strategic management practices

strategic project management best practice are not implemented to improve earliest delivery time of the project					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	4	5.7	5.7	7.1
	Neutral	4	5.7	5.7	12.9
	Agree	50	71.4	71.4	84.3
	Strongly Agree	11	15.7	15.7	100.0
	Total	70	100.0	100.0	

Source: own survey 2017.

As shown on table 4.20 above, 50 (71.4%) of respondents agree and 11 (15.7%) of respondents strongly agree while 4 (5.7%) are neutral and 5 (7.1%) of respondent respond disagree and strongly disagree on strategic project management best practice are not implemented to improve

earliest delivery time of the project that strategic problem is a major problem of delaying the project and affecting cost and quality of the project. In addition to the respondent information in AAHDPO GTP 1 performance review document as explained one of the factor affect housing project is lack of strategies.

According to PMI When project office look at developing a best practice around the project management function, they usually mean one or more of the following:

- Standardized processes
- Standardized tools and templates
- Standardized software
- Development of competencies
- Assessment of skills
- Development of a process for resource planning/allocation
- Development of career paths
- Development of strategic training/education programs
- Formalized mentoring and coaching plans
- Requirement and support for industry certification (CAPM[®], PMP[®], PgMP[®])
- Development and roll out of a PMO function

Organizations desire to establish best practices to meet many needs, including the following:

- Effective management of project resources
- Alignment of projects to the strategic goals of the organization
- Improved tracking and reporting on projects' status
- Reduction in the time and money spent on ensuring projects are brought to a successful conclusion.

The continued success of organizations in an ever-changing, competitive marketplace requires that they have formalized their project management function and find improved ways of accomplishing their strategic goals. With a best practice in place, organizations are better able to make decisions on the types of projects to undertake in any given time period Abudi, G. (2009).

There for the strategic issues is a key element in the project office with regard to the project unique nature and different challenges, so the researcher tried to understand based on interviews,

questioner and document review the strategic management problem was a major problem in the project implementation time and this is a factor that affect delivery of project.

4.24 Material availability in local market

Table 4.21 Respondent expectations for material availability

Material are not easy available in local market					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.5	1.5
	Disagree	11	15.7	16.2	17.6
	Neutral	22	31.4	32.4	50.0
	Agree	22	31.4	32.4	82.4
	Strongly Agree	12	17.1	17.6	100.0
	Total	68	97.1	100.0	
Missing	No response	2	2.9		
Total		70	100.0		

Source: own survey 2017

As shown on table 4.21 above, 22 (31.4%) of respondents agree and 12 (17.1%) of respondents strongly agree while 22 (31.4%) are neutral 12 (17.1%) of respondents respond disagree and strongly disagree on that the question of materials are not easy available in local market? In addition to the respondent information the interviewee's from AAHDPO and GHDPO expressed some materials are not easily available in local market. Then the absence of material in local market is basically affect implementation time and also related to distance transportation cost and other related costs affect the project cost, so this is also a factor that affect the delivery of project

4.25 Material distribution

Materials management can deal with campus planning and building design for the movement of materials, or with logistics that deal with the tangible components of a supply chain. Specifically, this covers the acquisition of spare parts and replacements, quality control of purchasing and ordering such parts, and the standards involved in ordering, shipping, and warehousing the said parts.

Table 4.22 Respondents Expectation for material distribution

There is a problem for distributing materials on site					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.9	2.9	2.9
	Disagree	28	40.0	40.0	42.9
	Neutral	10	14.3	14.3	57.1
	Agree	24	34.3	34.3	91.4
	Strongly Agree	6	8.6	8.6	100.0
	Total	70	100.0	100.0	

Source: own survey 2017

As shown on table 4.22 above, from the total 70 respondent 24 (34.3%) of respondents agree and 6 (8.6%) of respondents strongly agree while 10 (14.3%) of respondents are respond neutral and 30 (42.9%) of respondents respond disagree and strongly disagree on that the question of there is a problem for distributing materials on site? According to the interviewee's information it related to the central and bulk procurement system distributing the resource from the center to the project office related to shortage of transport to some extent it is a problem. Distribution of material is a dependent to procurement problem, Then the resource is not delivered on time relatively the project is also not completed on time.

4.26 Stakeholder involvement

According to the Project Management Institute (PMI), the term project stakeholder refers to, 'an individual, group, or organization, who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project' (Project Management Institute, 2013).

Table 4.23 Stakeholder involvements

A lack of stakeholder involvement in the project hinders timely completing of project					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	7.1	7.1	7.1
	Neutral	2	2.9	2.9	10.0
	Agree	52	74.3	74.3	84.3
	Strongly Agree	11	15.7	15.7	100.0
	Total	70	100.0	100.0	

Source: - Own survey 2017.

As shown on table 4.23 above, from the total 70 respondent 52 (74.3%) agree and 11 (15.7%) strongly agree while 2 (2.9%) are neutral 5 (7.1%) of respondent respond disagree on that the question of there is a lack of stockholder involvement in the project hinders timely completing of project?

In the project activity there are different stakeholders are involved. Specially in the context of housing project related to the infrastructure and other issues different stakeholders are involved like project consultant, Financial institute (Bank, MOFED, BOFED), Ethiopian Electric Power Agency, Water and sewerage Authority, Road Authority, Ethio telecom....etc.

Participation by project stakeholders means sharing a common understanding and involvement in the decision-making process of the project. Participation by stakeholders leads to empowerment and to joint ownership of the project. To increase participation the project should start with a consultation process that moves to negotiations and ends with joint decisions. Participation by project stakeholders has many benefits and advantages, among them are:

- Ensures that the project plans are a reflection of the real needs and priorities
- Develops an environment of trusts by allowing the voices of the stakeholders be heard and their issues be known
- Makes the project accountable to the stakeholders
- Enables the voices of the stakeholders to be heard and by doing that the level of trust in the relationships increases.
- Promotes transparency in the actions of the project and ensures that the project is held accountable for its actions.
- Increases ownership by stakeholders who feel the project is taking in account their views and motivates them to sponsor the project, which ultimately leads to sustainability.
- Is a key strategy to win support to the project, to gain commitment to the project, and ultimately to increase the chances for sustainability after the project has been complete

According to the information and documents the stakeholder participation is not much enough to perform the expected target of the project office. Therefore stakeholder involvement is one of the factors that affecting project delivery.

4.27 Project lesson learnt

Table 4.24 Respondents responses for lesson learnt document in project

There is no a lesson learnt document for complete project					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	3	4.3	4.3	4.3
	Agree	32	45.7	45.7	50.0
	Strongly Agree	35	50.0	50.0	100.0
	Total	70	100.0	100.0	

Source: - Own survey 2017.

According to the respondent information from the total 70 respondent 32 (45.7%) of respondent agree the about the question there is no a lesson learnt document for completed project? 35(50%) of respondent response strongly agree and 3(4.3%) of respondent responses neutral.

From this it can be implied that 95.7% of the respondents are in agreement that lesson learnt document are not prepare for completed project. And also the information collected from the interview further elaborated that lesson learnt document are not prepared at all projects.

Project Management Institute (PMI) and Project Management Body of Knowledge (PMBOK) define lessons learned as the learning gained from the process of performing the project. Formally conducted lessons learned sessions are traditionally held during project close-out, near the completion of the project. However, lessons learned may be identified and documented at any point during the project's life cycle. The purpose of documenting lessons learned is to share and use knowledge derived from experience to:

- Promote the recurrence of desirable outcomes
- Preclude the recurrence of undesirable outcomes

As a practice, lessons learned includes the processes necessary for identification, documentation, validation, and dissemination of lessons learned. Utilization and incorporation of those processes includes identification of applicable lessons learned, documentation of lessons learned, archiving lessons learned, distribution to appropriate personnel, identification of actions that will be taken as a result of the lesson learned, and follow-up to ensure that appropriate actions were taken.

Therefore according to the information of questioner respondent, interviewees and document review no lesson learnt documents were prepared in project closure at all. Project lesson learnt document help the new project implementation for a guideline of solving the same problems

happened in the previous project. Then preparing lesson learnt document is better for reducing the project completing time and cost and also maximizing the project quality, so in researcher view lack of lesson learnt document is a factor that affects project delivery.

4.28 Infrastructure approaches

Land to be delivered for construction of residential houses and commercial uses has to be provided with adequate provision of infrastructure and services. But the practice shows that most development in the intermediate and expansion area is on the principle of land without service.

Based on the interview information the condominium projects hinder different infrastructure related problem this problems directly affect the timely completing of the project some of the problems are;

- Shortage of electric power, from starting up to completing the construction the power problem is a major factor because of the national wide shortage of power problem and also the consumption of power in projects are not in line.
- Preparation of infrastructure like; road, water, and telecom service are take long period of time then infrastructure problems are a factor to delay the housing project deliveries

4.29 Existing management strategy of the project office

Condominium housing is new form of housing delivery in our country. It is strategic response to rapid urban population growth ,high prevalence of urban poverty ,and urban un employment in major Ethiopian cities this implies that next to the massive housing delivery ,creating large number of job opportunities to reduce prevalent unemployment rate.

Based on the above point of views the researcher tried to gathered information of the existing management strategy of project office. Interviewee's information and document reviews are the instrument of the researcher to check the existing management strategy. As described above in strategies management concept the projects delivery were affect by lack of strategy, but the existing management strategy of the project office are.

- To solve the capacity problem of the contractor (financial and technical capacity), by facilitate loan facility and technical support by giving on job training to the contractor.
- Creating a good communication within the project team and the management.
- To solve the shortage of materials by borrowing materials from other project office.

4.30 Others factors

Beside the above factor the housing project was affect by different factors. Based on the interview information and document review the following factors are affect housing project in Addis Ababa;

- Turnover of Experienced and skilled human power from project office
- Lack of skill in MSEs association
- Unethical business characteristics of supplier
- Lack of integration of stakeholders
- Lack of project management training for project teams and managers.

Based on the Addis Ababa Housing and development Project office the first growth and transformation plan (GTP 1) review document explained the following problems

- Problem of land acquisition
- Shortage of human power
- Competencies' of project manager
- Problem of proper Preparation of Bill of quantity
- Manual base communication
- Lack of good governance
- Corruption are some of explained problems in GTP 1 review document

beside the above the contractor and the project officers rise the payment system is also affect the construction time because of the long bureaucratic process of payment certificate confirmation process it takes more than a month for one round payment in related to the contractors financial capacity the payment systems to be long. Then this lengthy process directly affects the contractor's timely working performance.

Therefore the above problems are a major problem that affects the earliest completing time, cost and quality of the project.

4.31 Summary of questioner respondents by mean and median

Table 4.25 Summary of questioner respondents by mean and median

Statistical description of the questioners data					
Questions	N		Mean	Median	Mode
	Valid	Missing			
There is a lack of technical competence by contractor	70	0	3.36	3.42 ^a	4
project planning is not properly planned	70	0	4.07	4.08 ^a	4
there is a continues scope change within the project implementation time	70	0	4.26	4.33 ^a	4
There is a lack of communication with project team	70	0	2.34	2.26 ^a	2
process or activities of projects are in correctly implemented	70	0	2.54	2.55 ^a	2 ^b
procurement problem is a major problem of delaying the project	70	0	4.63	4.65 ^a	5
Material are not easy available in local market	68	2	3.49	3.50 ^a	3 ^b
There is a problem for distributing materials on site	70	0	3.06	3.00 ^a	2
housing development project office has not a good monitoring and evaluation mechanism	70	0	3.94	4.03 ^a	4
strategic project management best practice are not implemented to improve earliest delivery time of the project	70	0	3.94	4.03 ^a	4
A lack of stakeholder involvement in the project hinders timely completing of project	70	0	3.67	3.76 ^a	4
There is no a lesson learnt document for complete project	70	0	4.46	4.48 ^a	5
complex land acquisition process affect the timely delivery of housing project	70	0	3.50	3.67 ^a	4
Executive managements are not gives its full support towards the implementation of project	70	0	2.69	2.76 ^a	4
Project financing	70	0	4.21	4.36 ^a	4
Project Managers Competency	70	0	3.00	2.84 ^a	2
Project Planning	70	0	4.07	4.11 ^a	4
Project Procurement	70	0	4.07	4.11 ^a	4
Assignment of the project team	70	0	2.31	2.24 ^a	2
Communication within the project team	70	0	2.23	2.19 ^a	2
Communication within the project manager and the project team	70	0	2.16	2.10 ^a	2
Contractor Selection	70	0	3.79	3.82 ^a	4
Monitoring and evaluation	70	0	4.26	4.27 ^a	4
Local Ground Condition	70	0	3.56	3.56 ^a	4

Source: - Own survey 2017

* a. Calculated from grouped data.

* b. Multiple modes exist. The smallest value is shown

The questions scaled 1 up to 5 (strongly disagree, disagree, neutral, agree and strongly agree)

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

Under this last chapter, summary of the whole project work, conclusions drawn and recommendations forwarded were dealt with.

5.1 Introduction

In the previous chapter, the GHDP was examined as a case of illustrating the process of housing delivery. This was done in order to analyze the process of housing delivery in Addis Ababa. The main objectives of the study included attempting to identify the main issues associated with housing delivery, as well as attempting to illustrate how these processes were managed in practice. These findings were discussed in terms of the broader aim of the study in order to evaluate to what extent the study has fulfilled the main objectives identified in Chapter One.

Condominium housing is new form of housing delivery in our country. It is strategic response to rapid urban population growth ,high prevalence of urban poverty ,and urban un employment in major Ethiopian cities this implies that next to the massive housing delivery ,creating large number of job opportunities to reduce prevalent unemployment rate and create a saving culture in the public. From this point of view, the purpose of this study is to assess factor affecting housing delivery of condominium Projects in Addis Ababa the case of Gulele housing development project office. To achieve this, the following guiding basic research questions were formulated:

1. what are the main factors associated with housing allocation and housing delivery in the Condominium housing project,
2. What is the existing management strategy in the chosen project area?
3. How much has the condominium housing project addressed the existing demand?
4. What should be done for further improvement of the project?

A descriptive survey method was employed for the study. Accordingly, four condominium housing project sites in Gulele housing and development project office are participant of the research. Besides, from GHDP & AAHDPO officials were included and interviewed purposely. In general, the study included 70 respondents. Questionnaire, interview and document analysis were employed for the study as data gathering tools and finally appropriate statistical tools were used to analyses and interpret the data. Accordingly, the following major findings were drawn from the study.

Summary of findings

5.1.1. Characteristics of Respondents

In relation to respondent's characteristics, with regard to age, majority of the respondents are found to be young people found with the age range of 21 - 40 years. Hence, they are assumed to be good informants. Educational qualification profile of their respondents was dominated by degree holders even though the range extends from certificate to post graduate holders level; and this revealed that majority of employees are qualified as per the standard of Ministry of Urban Development, Housing and Construction (MoUDHC). However, according to the project management concept a shortage of Project management training in the project office and this might have a negative influence for the delivery of condominium houses project. It was reported that most categories of respondents have relatively adequate experience and majority contractors were not higher work experience in condominium housing projects.

5.1.2. Major factors that affects housing delivery

According to the officials in addition to reducing gap the program has shown sustainable changes in the overall urban development and city management. They also believe that the mentality and way of life of people, the image development direction of Addis Ababa is changed and the level of poverty is reduced. Besides to this, one reality that they mentioned is that due to financial, technical, material and human resource constraints the project couldn't reach as the expected speed of delivery.

In this study the analysis done on general issues of project deliveries revealed that majority of the respondents are in agreement with that the project operates under a normal project environment of traditional project management practice in that there is documented program like IHDP and procedures. Beside this the project activities affected by different factors to influence the delivery of the production some of the major finding explained in chapter four are summarized under this chapter. The major factors are

5.1.2.1 Construction contract duration & contractor capacity

A construction contract is a mutual or legally binding agreement between two parties based on policies and conditions recorded in document form. This agreement is a bench mark of the owners or the project office to evaluate the construction is completing within the agreed time. According to the project office the construction standard time of G+4 building is one year and G+7 building is 1 year and 8 month but from the AAHDPO information in 2006E.C 52643 and in 2007 E.C

41429 house construction started but not completed it takes more than 3 years this indicates the contract duration time and the actual completing time are differ.

In construction project the contractors share a lion share of the activities. A contractor is responsible for providing all of the material, labor, equipment (such as engineering vehicles and tools) and services necessary for the construction of the project. The general contractor hires specialized subcontractors to perform all or portions of the construction work. Therefore as explained in chapter 4 the contractor financial and technical capacity is a major factor of the project office that affects the project delivery.

5.1.2.2 Planning problem and Construction design change

Construction planning is a process of identifying activities and resources required to make the design a physical reality. Hence, construction is the implementation of a design envisioned by architects and engineers. In both design and construction, numerous operational tasks must be performed with a variety of precedence and other relationships among the different tasks. Therefore in the project office there is a repeatedly design change it is strongly affect the overall activities of the project basically cost and time.

5.1.2.3 Procurement and material delivery problem

A reliable procurement system is designed for speed, efficiency and accuracy. Yet despite all precautions, problems ranging from human error to organizational shortcomings can still have a negative effect on a Project procurement and purchasing ability, no matter how hard you try to prevent them. Over all projects follow a central procurement system. This central procurement system is good for some extent specially related to quality and cost related problem the major problem is related to the central procurement system the project office doesn't have any right to procure the emergency time. In addition to this the material delivery from the center to the project office is affect the project delivery. Therefore procurement and material deliveries are a finding it affect the delivery of project.

5.1.2.4 Monitoring and Evaluation problem

The M&E process is an analysis or interpretation of the collected data which delves deeper into the relationships between the results of the project, the effects produced by the project and the overall impact of the project. In the project office missed the M&E process.

5.1.2.5 Project lesson learnt

“Lessons learned” is one of the most important and “value added” aspects of the project management lifecycle. However, it has been reported that it is often the most ignored part of finishing a project. It is true in GHDPO and also in AHDPO there are no lesson learnt documents.

5.1.2.6 Infrastructures problem

Shortage of electric power, from the construction period up to completing the construction the power problem is a major factor because of the national wide shortage of power problem and also the consumption of power in projects are not in line.

Preparation of infrastructure like; road, water, and telecom service are take long period of time then infrastructure problems are a factor to delay the housing project deliveries.

5.2 Conclusions

Delivering of housing unit for low and middle income groups is the main objectives of the housing and development project. Form this point of view; we can conclude that the following factors are affecting the delivery of housing project

- The main challenges of condominium projects are delays in the provision of construction materials and infrastructure like road, electric power, and even the land selection and preparation did not provided as per the project schedule.
- Monitoring and evaluation mechanisms of a head office and project office are weak this affect the timely completing of the project and also affect cost and qualities of the condominium house.
- Beurocratic and lengthy payment mechanisms for the contractor and a central procurement policy without giving rights for emergency procurement decision for project office are a major factors it affect the project delivery.
- Based on the IHDP for capacitate the internal contractor and creating job for MSEs the project office participate level 3&4 contractor according to the contractor financial capacity, level of technical skill, and organizational structure this are a factor for delivery problems
- a continuous design change from earth work up to structural change at the middle of construction in the project office is a major problem for affect the timely completing of project and cost of projects

- suppliers unethical characteristics, lengthy process of bid and technical and financial capacity problems of MSEs association supplies of precast and bloket for the project and also the MSEs production area distance far from project site is affect the project performance because of timely supplying of material and transportation cost. The project office pay 1br for 1 precast for 1km then the distance far from the project site is directly affect the project cost.
- At the time of project completing there is no document preparation for lesson learnt purpose this is affects the project performance.
- In addition to the above turnover of experienced human power, lack of good governance, corruption, lack of preparation of bill of quantity, lack of project management training for all employees and project managers are a major factors of affect the delivery of project
- The main strategic approaches that the condominium housing development program reducing time and cost. However, in real ground this strategies are not applied in the project office because of the above major problems.

The program has shown some important direct and indirect achievements“ and the demand for condominium is increasing at an alarming rate time to time for the reason of people migration from rural area to urban area and the existed house quality problem. But are these achievements enough? Is condominium project delivery meeting the expected need? How to minimize the waiting period before getting chance? Is the time, cost and quality of the house address the program objective? Those and other issues are basic issues that need political and administrative commitment and further study.

5.3 Recommendations

Condominium housing development project should be continued as one form of housing delivery in the city especially in cities like Addis Ababa. The combination of high population and high urban growth rates coupled with a high prevalence of urban poverty have placed enormous strain on Ethiopian cities. According to CSA, 2012 information this is especially true in Addis Ababa as it has a share of 23% of the country's urban population.

Currently, in Addis Ababa, there is strong housing demand as a result of the mismatch between the expanding urban population and limited housing supply.

The following recommendation is recommend to AAHDPO

So there is great demand to introduce other additional housing alternatives. Moreover, the housing policy of the government should consider multi directional approach. Such as:

- Participative planning and implementing campaign that builds up understanding and cooperation between concerned actors is also important.
- Applying alternative low cost durable local construction materials and technology and encouraging different actors involved in the construction of affordable housing are indispensable to address the targets of IHDP.
- Addis Ababa Housing development project office and other concerned body should work continuous awareness campaign through training and conference for the project manager and project workers to bring how to work and manage the project environment within constraints.
- Participate and improve communication with the stakeholders.
- Provide necessary short term trainings for MSEs on construction technologies and materials management.
- Design a short and easiest way of payment mechanism for contractor and give a right to decision for project offices.
- Selection and preparation of land should be done early as per the project schedule,
- Design a new procurement policy by giving some loophole for the project office to solve the problem related to purchasing and give for some procurement right for the project office

- Maintain a good monitoring and evaluation systems and take as early a correction action for a variation from the bench mark.
- Develop a lesson learnt document in each completing project for future performance improvement.
- Organized the construction design department by knowledgeable, skilled and experienced worker and also give the proper training for the proper person.
- Participates level 1 and 2 local and foreign contractors and working together within the level 3 and 4 Local contractor and transfer knowledge from the experienced contractor to the beginner.
- Setting up and strengthening housing development institutions, housing agency, housing construction enterprise, micro and small scale enterprise, technical and vocational education training are important issues which led the housing provision successful.

✚ The following recommendation recommend to GHDPO

- Maintain a good monitoring and evaluation systems and take as early a correction action for a variation from the bench mark.
- Develop a lesson learnt document in each completing project for future performance improvement.
- Participate and improve communication with the stakeholders.
- Provide necessary short term trainings for MSEs on construction technologies and materials management.
- Design a short and easiest way of payment mechanism for contractor and give a right to decision for project offices.
- Seriously control the scope of the project.

And also the researcher according to the finding and from different literatures view point recommends additional recommendation beside the above recommendation for maximize the performance of the project delivery related to cost, time and quality and to meet the project target plan and objective

1. The project should properly passes through the project management process group

According to PMI (2013), the project management process group ensures the effective flow of the project throughout its life cycle. These processes encompass the tools and techniques involved in applying the skills and capabilities (described in literature review part). These are:

The initiating process group, the planning process group, the executing process group: The monitoring and controlling process group, The closing process group: consists of those processes performed to conclude all activities across all project management process groups to formally complete the project, phase, or contractual obligations.

2. Focus the knowledge area of project management

According to the PMI (2013), there are ten project management knowledge areas that every project addresses and these Knowledge areas represent a set of competency skills and processes that must be properly utilized by the PM throughout the life cycle. These are:

- Project scope management
- Project time management:
- Project cost management:
- Project quality management:
- Project human resource management:
- Project communication management:
- Project risk management:
- Project procurement management:
- Project stakeholder management:
- Project integration management:

From a high-level viewpoint, project management is integration management. Therefore, one way or another project manager and the project team are involved in performing the above knowledge management areas in the project life cycle. Therefore the researcher recommends the project office use and gives infusive about project process group and knowledge area will be help as solving hinders of the project.

Finally, further case studies of housing allocation and delivery are needed where similar developing country contexts are examined in order to establish best practice guidelines for dealing with the rapid urbanization occurring in the developing world.

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Anne



ANNEX - 1

**Addis Ababa University College of Business and Economics
School of Commerce
Masters of Art in Project Management**

Dear Participants:-

My name is Tesfalem Tesfaye, I am MA student in Project Management at Addis Ababa University School of Commerce. As part of my MA project work, Currently, I am conducting a research as partial fulfillment of the requirements for the Master’s Degree in Project Management (MPM). The topic of the research that I am conducting is **“Factor affecting housing delivery of condominium project in Addis Ababa: the case of Gulele sub city housing development project”**.

I kindly request you to participate in this research study by completing the attached questionnaire. In order to ensure that all information will remain confidential please do not include your name. As well I sincerely request you to respond to the questions as honestly as possible and return the completed questionnaires. Knowing that your time is valuable please, please take few minutes of your time to complete the questionnaire. Thank you in advance for your time and assistance. Please do not hesitate to contact me, should you require further clarification.

Yours faithfully!

Questionnaire

• General Instruction and information:

The questioner has close-ended and open ended questions please indicate the extent to which you select the correct your expectation answer with the following statements by putting “X” on the box which most accurately reflects your opinion. There is no right or wrong answer assuring you that all responses will be uses only as an input for this study.

• Part one:- General Information

1. Age

A. 20.-30years B. 31-40years C. 41-50years D. Above 50years

2. Sex

A. Male B. Female

3. Level of Education:

A. Below grade 12 B. Certificate

C. Diploma D. Degree

E. Postgraduate (MA/MSC)

F. Others please specify, _____

4. Years of work experience

- A. Below 2 years B. 3-5 Years C. 6-10Years
 D. 11-15 Years E. Above 15 Years

5. Your present responsibility

- A. Process leader D. Project Supervisor
 B. Project officer E. Project consultant
 C. Project contract worker
 F. Other _____

6. Do you know who is responsible for providing houses in Addis Ababa?

- A) Yes B. No

7. If yes, who is responsible?

- a) Housing and Development office
 b) Addis Ababa City Administration
 c) Ministry of urban and Housing Development
 d) Other specify _____

8. How long the people waiting period before getting chance?

- a) Two years d) Five years
 b) Three years e) Above five years
 c) Four years

9. Do you think it the people took long to get the house?

- A. Yes B. No

10. If yes, why do think it took so long?

- a) Delayed by the City Administration
 b) Delayed by the contractor
 c) Houses were incomplete
 d) shortage of material
 e) Shortage of finance
 f) Shortage of man power
 g) Lack of Monitoring and Evaluation
 h) Other specify _____

11. Do you get the project office any assistance with regards to housing project problems?

A) Yes B) No

12. If the answer to the above question 11 is Yes. Who assists you with regards to your housing project problems?

a) Addis Ababa City Administration

b) A.A Housing and development office

c) Ministry of urban and Housing Development

d) Other specify _____

13. **What do you think can be done in order to improve housing delivery in project office?**

a) More funding needed

b) Proper supply (procurement) of material

c) Proper Planning

d) Proper monitoring and evaluation

e) Proper assignment of Human Resource

f) Other specify _____

14. Did the Project cost increase from the initial cost?

A. Yes B. No

15. If the answer to the above question (13) is yes could you give the reason of increase in project cost? _____

16. Did the Project actual duration different from the planned duration?

B. Yes B. No

17. If the answer to the above question (15) is yes could you give the reason of varies from the Actual project duration? _____

Part Two (II);- Please tick the box with proper box or fill the proper number the following questions are factors affect the delivery of housing project, give the correct answer based on your experience in your project office.

1 – Strongly Disagree	3 – Neutral	5 – Strongly Agree
2 – Disagree	4 – Agree	

NO	The delivery of housing unit is affected by	SD	D	N	A	SA
18.	Construction contract duration					
19.	Project financing					
20.	Project managers competence					
21.	Project planning					
22.	Project Procurement					
23.	Assignment of the project team					
24.	Communication within the project team					
25.	Communication within the project manager and the team members					
26.	Contractor selection					
27.	Type of construction					
28.	Supervision/inspection of work					
29.	Local ground conditions					

30. Please state five (5) the major factors in your experience that influence completion of construction housing project

- i. _____
- ii. _____
- iii. _____
- iv. _____
- v. _____

31. Does contract duration affect project completion in your opinion?

- A. Yes B. No

32. If the answer to the above question (31) is Yes what affects contract duration?

33. Does project financing affect construction project completion in your opinion?

- A. Yes B. No

• **Part three (III)**

For each of the following statements, please indicate your level of agreement, as they apply to your organization’s perception on management of GHD projects.

1 – Strongly Disagree	3 – Neutral	5 – Strongly Agree
2 – Disagree	4 – Agree	

No	Perception	SD	D	N	A	SA
39.	There is a lack of technical competence by contractors.					
40.	Problems related to Delivery of housing projects are caused by contractors using unskilled labor.					
41.	Project planning is not properly planned.					
42.	There is a continues scope change within the project implementation time					
43.	There is a lack of communication with project teams.					
44.	Process or activities of projects are incorrectly implemented.					
45.	Procurement problem is a major problem of delaying the project					
46.	Materials are not easy available in local market					
47.	There is a problem for distributing materials on site					
48.	Housing development project office has not a good monitoring and evaluation mechanism					
49.	Strategic project management best practices are not implemented to improve earliest delivery time of the project.					
50.	A lack of stakeholder involvement in the project hinders timely completing of project.					
51.	There is no a lesson learnt document for complete project					
52.	Complex land acquisition process affect the timely delivery of housing project					
53.	Executive managements are not gives its full support towards the implementation of projects.					

54. If you have any information related to factor affecting the delivery of housing project in your project area, please write the given space.

Thank you for your kind cooperation.