



**ASSESSMENT OF AFFORDABILITY OF CONDOMINIUM HOUSES:
THE CASE OF ADDIS ABABA HOUSING CONSTRUCTION
PROJECT OFFICE AT TULUDIMITU SITE**

By

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Declaration

I hereby, declare that this thesis entitled “Assessment of Affordability of Condominium Houses: The Case of Addis Ababa Housing Construction Project Office at Tuledimtu Site” was composed of myself, with the guidance of my advisor, that the work contained herein is my own except where explicitly stated otherwise in the text, and this work has not been submitted, in whole or in part, for any other degree or professional qualification.

Endale Mekonnen

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Certificate

This is to certify that the thesis prepared by Mr.Endale Mekonnen entitled " **Assessment of Affordability of Condominium Houses: The Case of Addis Ababa Housing Construction Project Office at Tuludimitu Site** " and Submitted in Fulfillments of the requirements for the degree of Masters of Business Administration in Construction Management complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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Abstract

Urbanization and population growth in Addis Ababa increase the demand for adequate and affordable houses in large number. So the government of Ethiopia has put a lot of effort to alleviate the housing problem of the towns and upgrading the slum areas of the cities with a program of IHDP. The purpose of this study is assessing the condominium houses, which constructed by Addis Ababa housing construction project office, are how affordable to low and middle income households. The study used descriptive research design and the data generated to meet these objectives were collected via household survey, in-depth interviews, and by reviewing different secondary data are described in simple quantitative technique, like percentage, tables, graphs different pictures. Simple random sampling technique is used to determine the sample size. Based on analysis the study found that contrary to the main goal of the project office; the condominium houses are not affordable to low and middle income households as stated on the vision of the project office. The total cost, the advance payment, monthly principal and interests and additional finishing and repairing costs are too costly relative to the income of the target class, the quality of the condominium houses and its remoteness made the condominium house inconvenient to target class.

Key terms: *Affordability, Condominium, Project, Target class, Target Group, Low-Income and Middle income class, site, Tuledimtu.*

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List of Abbreviations/Acronyms

AAHCPO: Addis Ababa Housing Construction Project Office

BR : Bed Room

CSA : Central Statics Agency

CBE : Commercial Bank of Addis Ababa

EPRDF : Ethiopian People's Revolutionary Democratic Force

GDP : Gross Domestic Product

EDO : Environmental Development Office

IHDP : Integrated Housing Development Program

GPSURR : Global Practice on Social, Urban, and Rural Resilience

GTZ : German Technical Cooperation

MDGs : Millennium Development Goals

MFI : Micro Finance Institution

MSE : Micro and Small Enterprise

WMU : Welfare Monitoring Unit

MWUD : Ministry of Works and Urban Development

PASDEP : Plan for Accelerated and Sustained Development to End Poverty

PIR : Price to Income Ratio

SPSS - Statistical Package for Social Sciences.

UN-HABITANT - United Human Settlement Program

USD - United States Dollar

WHO - World Health Organization

CHAPTER ONE: INTRODUCTION

1.1 Back ground

Addis Ababa is home to 25% of the urban population of Ethiopia and is one of the fastest growing cities in Africa. It is the growth engine for Ethiopia and a major pillar in the country's vision to become a middle-income, carbon-neutral, and resilient economy by 2025(GPSURR, 2015, p.25). Addis Ababa's economy is growing annually by 14%. The city alone currently contributes approximately 50% towards the national GDP, highlighting its strategic role within the overall economic development of the country. Addis is expanding in a sprawling manner, with growth in urban extent outpacing population growth. The result of this growth is an estimated 46% of vacant or underutilized land. At the same time, the city center has extremely high density (up to 30,000 people per km), concentrating around 30% of the population on 8% of the land, generally with poor living conditions (2015, GPSURR, p.25). According to CSA 29.1% the population is below the national puberty line, 46.4% is multidimensional poor (2016, African economic outlook p,4).

Ethiopia housing quality is lower than neighboring countries, and overcrowded living conditions are the major challenges in large urban centers (Ethiopia 2016). Beside its shortage most of the Addis Ababa houses are made from mud and wood and they are single stories, 60% up to 70% of the houses are consider slum, 70% up to 80% of the populations are live in these slum houses. Housing problems are largely to do with affordability: housing is expensive and incomes are too low. Ethiopia is a pertinent example of the challenges facing many African countries (United Nations Human Settlements Program, 2011). Mekonnen (2007) found out that the development of affordable housing for the low-income groups in the

city is the challenging issues because of the scarcity of land and high cost of building materials. In general, the affordability of housing is an important subject for Ethiopia, and it has received considerable recent public attention (Muluye Tarekegn, 2015).

Constructing qualified houses doesn't only mean solving housing problem, instead creating healthy, happy and productive citizens and making life uncomplicated for population and removing slum part of the city and replacing by suitable standardized houses. But a propos of this concept our city Addis Ababa has been going backwardly for decades. The name large village was fit name for city. The populace suffered a lot because of shortage of toilets, lack of standardized infrastructure, lack of sanitation and lack of electricity, has made the city incongruous for live and work.

To change these worse situations, the Ethiopian Government took considerable action under the course of the Ethiopian Integrated Housing Development Program (IHDP). In this grand program the government constructed thousands of condominium houses in different towns in the country. Addis Ababa housing development office is one of the organs established to construct and transfer condominium houses for city inhabitants. In the last two registration program 2005 and 2013 about 974,835 residents were register for the condominium houses, within 12 years only 176,065.00 houses are constructed and transferred to beneficiaries (AAHCPO, 2016). Because of financial problem and lack of construction management skills: the performance outrageous in its speed and accessibility. According to recent study, 'the office needs 55 years to access the condominium houses for all the registered dwells' (*Addis Zemen* News Letter 76th Year, No.172). So there is trepidation of not achieving IHDP goal that targets low and middle income inhabitants. The main tailback on the success of the

program is matter of affordability. Especially the cost of the condominium houses that transferred to beneficiary in 10th round not considered the capacity of target group.

The city government covered the entire regular and capital budget. The budget that needed for the construction gets from commercial bank of Ethiopia in bond loan. The CBE collect its loan and interest when the houses transferred to beneficiaries. Until June 30, 2016 about 32,875,000,000.00 loans disbursed to the project office by CBE from these amount 13,389,168881.57 loan and 3,088,902 518.78 interests collected. Out of total disbursed amount, unpaid loan and unpaid interest are 19,485,831,118.43 and 95,381,426.97 respectively (Addis Ababa, 2015/16).

Although the government of Addis Ababa has great endeavor to reduce the cost of condominium houses, the escalated price of the condos, the place where the site found inaccessibility of infrastructures like electricity, water and site work drive concerned bodies to raise the questions of affordability at the condominium houses. The high mounting cost of construction material and mismanagement of the projects consider as reasons for price escalation of the condominium houses and retarding backwardly “housing for poor program”. So again the government has to do something that lightens the burden of the target group. The condominium construction process need not only to speed up, it must be accelerated. Unless some prompt remedial action has taken the project will be collapsed in the near future

1.2 Statement of the problem

The city government of Addis Ababa has put a lot of effort to alleviate the particular housing problem of the low and middle income population of the city and invests each year billions of

birr to construct thousands of condominium houses. In the last 12 years the city government achieves remarkable result on changing the image of city, creating job opportunity, making the city suitable to residents and so on. Addressing the needs of low and middle income inhabitants are the main objectives of the program. That's why the government took a lot of action to minimize the price of condominium house in favor of the target class. The support delivered by the government by two means firstly by making free payment like provide land with free of lease payment, duty free for imported construction material, free from value added tax and secondly by means of full coverage of certain costs like cost of main road building, cost of infrastructure building, cost of main road water installations, cost of sanitary line installations, salaries and regular expenditure. Even though all the above supports expected to reduce the cost of the condominium houses significantly, but still people are complaining the price is unreachable to target groups. In the current status of the project there is affordability problem in terms of cost, convenience and quality of the houses.

It is believed that the household housing expenditure is considered as affordable if it is not greater than 30% of the total income. But the condominium that are constructed by AAHCPO have increased their selling price at an alarmingly rate without proportionate rate of the target groups income. When we compare the change in condominium house costs related to change in income of the civil servant within the last 10 rounds there is great disparity.

The other unforgettable problem that leads the condominium house unaffordable to the beneficiaries is the additional cost of repairing and maintaining the condominium houses. Most of households are delighted a lot when they became lottery winners but no longer would it be, after they received it, they become disappointed. No condominium houses have given

service without incurring additional costs (2017, February 26). *Addis Zemen News Letter* 76th Year, No.176). P.1. In addition to these since the condominium houses are constructed at far from center, due to lack of infrastructures and transportation access, the dwellers again exposed to other extra costs.

Even if the government has great ambition to replace the slum house with modern multi stories condominium blocks as response to a growing shortage of land and housing in the city. The mission of accessing the poor with decent shelter; overcoming insecure tenure, surmounting lack of sanitation and changing poor housing conditions must not be the burden of the poor. The intention of the research paper is to forward the possible solution for these timely problem by forwarding timely solution.

1.3 Research Questions

1. How affordable are the condominiums houses to low and middle income households?
2. What are factors that make the condominium houses not affordable to low and middle income households?
3. What are the opportunities of the condominium houses to the residents of the city?
4. What should be done to make the condominium house affordable to target groups?

1.4 Objectives of the study

The principal objective of the study is to evaluate how affordable the condominium houses to low and middle income inhabitants and to assess to what extent the groups have benefited from this project?

1.4.1 Specific Objectives

1. To assess how much the program has benefited the low and middle income of the city.

2. To forward the possible solution or kinds of measurement that should be taken to make the target group beneficiary.
3. To evaluate achievements of Addis Ababa housing construction project office in providing opportunities for the residents.

1.5 Methodology of the Study

Qualitative research is concerned with finding the answers to questions which begin with: why? How? What way? This type of research aims at discovering the underlying motives and desires of the researcher, using in depth interviews for the purpose. Quantitative research, on the other hand, is more concerned with questions about: how much? How many? How often? What extent? It is applicable to phenomena that can be expressed in terms of quantity (Getu Degu and Tegbar Yigzaw,2009) .

So that as mention earlier the purpose of this study is to evaluate how much the condominium houses are affordable to target group and to assess what extent the program achieved its objectives. With this intention, both quantitative and qualitative types of methodologies are applied to conduct the research. The data are collected by questionnaires, interview and observation. The analysis also carried out by descriptive research methods. Since the population size is large the sample size is determined by stratified random sampling strategy.

1.6 Scope of the study

Thousands of condominium houses are under construction in different towns at different sites throughout the country in this mega project. Due to constraint of time, resource and access of information and manageability, determining the location and the population size is very important. So this study only covered Addis Ababa Housing Construction Project 11 Branch Office at Tuludimitu Site 10th round transferred condominium houses.

1.7 Limitations of the study

To accomplish any research paper concrete and reliable information like written document, compliance of respondents and resources are desirable. But it is hard to find all the needed resource as required. The difficulties were lack of information specially written document related to the condominium cost that transferred in the previous rounds to beneficiaries and the way how the price of the house determined. It was also hard to get information about the revenue collected from sale of condominium business shops. The reason is not only indisposition of the officer but also the information handling system by itself is mere problem to get needed data. Especially in Addis Ababa housing agency there is no documented data that narrate the past history about how the houses were transferred? for whom? at which price? and status of saving? Who terminate saving? and so on. Since most of the condominium owners rented the houses, they are not living there. So it was great difficulties to disperse and collect the required data through questionnaires. Even though some owners lives at their own house they are not available with day time to collect data. Beside this, some of them are not willing to share their time, their idea; they were not assenting to listen even the purpose of the study.

1.8 Significance of the Research

Housing for poor project has multidimensional goal. It has vital role in reducing poverty, preventing youth crime, keeping sustainable environment, job opportunity for MSE and building the capacity of the domestic contractor and consultants. Besides these as stated in its vision statement the main reason that drives the AAHCPO is to involve on these huge construction activity is the ambition of “ providing low cost and standardized houses to low and middle income residents of the city”.(communications affairs main job process,2008) These group of the inhabitants are above 90% of the population. So alleviating the housing problem of these group mean addressing above 90% of the population in terms providing adequate health opportunity, adequate infrastructure and sanitation system , and upgrading slum areas to be more suitable for living. So that I hope this thesis also come out with very important and fruitful finding that help the project office in attaining its objective and it will used as reference for other related study.

1.9. Organization of the Study

The research report is organized into five Chapters. The first Chapter is made up of the background of the study, the statement of the problem and research questions, significance of the study, scope of the study, limitation of the study and organization of the study. Chapter two theoretical foundations and empirical review of the study presented. This chapter covers important issues related to the housing literatures, empirical studies, about Concepts of Housing Affordability and measures house affordability ,the integrated housing program and the Significance of the program. Chapter three describes the research methodology. It explains the study area, research design, population parameter, sampling methods, sample size and methods of data collection and analysis. Results and discussions are contained in Chapter

four together with the survey outcomes. Chapter five provides conclusion and recommendations of the study.



Figure 2.1 Tuludimtu condominium site (Source: compiled at field survey,2017)

CHAPTER TWO: LITERATURE REVIEW

2.1 Definition and concept

Condominium housing is a name given to the form of housing tenure where each resident household owns their individual unit, but equally shares ownership and responsibility for the communal areas and facilities of the building, such as hallways, heating systems, and elevators. There is no individual ownership over plots of land. All of the land on a condominium site is owned by all home owners. Usually, the external maintenance of the roof and walls are undertaken by a Condominium association that jointly represents ownership of the whole complex, employing strict management to ensure funding from each homeowner.

Usually, the external maintenance of the roof and walls are undertaken by a Condominium Association that jointly represents ownership of the whole complex, employing strict management to ensure funding from each homeowner. This Association consists of representatives of all condominium residents who manage the site through a Board of Directors, elected by Association members.

A register of condominium units and common areas on site and any restrictions on their use is commonly established in a Master Deed which authorizes the Board of Directors to administer condominium affairs and assess owners on their performance of adequate maintenance. Rules of governance are usually covered in a separate set of Bylaws which generally govern the internal affairs of the condominium blocks.

By laws usually establish the responsibilities of the Condominium Association; the voting procedure to be used at Association meetings; the qualifications, powers, and duties of the

Board of Directors; the powers and duties of the officers; and the obligations of the owners with regards to assessments, maintenance, and use of their unit and common areas.

A set of Rules and Regulations, providing specific details of restrictions and conduct, are established by the Board and are more readily amendable than the Declaration or Bylaws. Typical rules include mandatory maintenance fees (often a monthly collection), pet and livestock restrictions, and colour/design choices visible from the common areas of the building.

The upkeep of walls and features inside a condominium unit is the sole responsibility of homeowners themselves. This area is defined as the area bounded by the walls of the building, allowing the homeowner to make some interior modifications without creating an impact on the common areas.

These boundaries are specified by a legal declaration, filed with the local governing authority. Anything outside this boundary is held in an undivided ownership interest by a corporation established at the time of the condominium's creation.

Condominium unit owners can be permitted to rent out their home to tenants, although leasing rights may be subject to conditions or restrictions set forth in the original declaration, such as a rental cap on the total number of units a community can lease at any one time, or otherwise as permitted by local law. The programme recognizes the opportunity for housing to stimulate the economy, create employment, and improve the capacity of the construction and financial sectors. (UN-habitat,2011)

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. ((UN-HABITAT, 2011)

- 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 The Importance of Condominium

Today, the prevailing wisdom emphasizes that condominiums are more valuable than cooperatives and any other privately or real estate housing supply means in many ways. As stated Lasner's work by Umberger (2012) home clubs (original owners-occupied building) morphed into cooperatives, in which the building is legally structured as a corporation, with the residents owning shares based on the size of their apartments. They became somewhat popular in New York and elsewhere, though their appeal was limited because financing and reselling the 24 units was legally complex. Umberger also underlined the Lasner's emphasis as, despite the agonies of some condo boards and homeowner associations whose clashes over property rights have generated headlines, that condos are here to stay and probably will grow

as an aging population eschews the maintenance of single-family homes. Umberger quoted further the idea of Lasner as follow:

“He wonders if the shift to the single-family suburban house in the mid-20th century is not the norm it was presumed to be, but an aberration — and whether the sheer ownership of a home matters more to people than its physical form.” *In metro New York and Miami ... nearly one in three owner-occupied homes is multifamily, and in Washington and Chicago, one in four. ... Now, more than ever, we are living in the age of the condo. Many problems with co-ownership persist. But history all but assures it will continue to adapt and improve.”*

Condo owners have property rights contractually specified by the agreement between themselves and the mortgage holder. The appeal of condominiums over conventional home ownership or renting and apartments are numerous. Condo owners enjoy the benefits of property investment and sale, as well as the opportunity to live in more desirable areas without paying the full cost of a house. In addition to these benefits, condo owners also assume the risks of changes in the housing market, and an inability to terminate their residency as easily as an apartment tenant. (<http://real-estate.laws...>).

Condominium development goes along with slum clearance for the sake of complexes building plots. However, the redevelopment of urban centers for business and improved housing has historically led to forced displacement wherein the poor becomes more vulnerable to impoverishment risks in many ways, mainly joblessness, homelessness, marginalization; food insecurity, loss of access to social services (health, school, etc), water and power supply, infrastructures, and social disarticulation (Tesfa.T. 2014).

2.3 Concepts of Housing Affordability

Affordable housing is broadly 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. Housing affordability, however, is multi-dimensional and involves more than the often-used simplified conception of the ratio of house purchase price to household income.

Housing affordability is affected by many factors. Affordability is principally set by two main variables: capital variables (house purchase costs) and occupation variables (costs associated with keeping the house).

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 labour and profit) and the ability to finance the purchase (principally set by the finance down payment requirement and the balance of household savings).

Once a house is purchased, the ability of a household to occupy and pay for the house is influenced by material inputs (land lease and rates, services costs, and building maintenance) and finance inputs (loan repayment period and Interest rates, and household income minus non housing expenditure). Housing affordability, therefore, involves more than the often-used simplified conception of house purchase price to household income. The components outlined in Figure 8 are the many dimensions of housing affordability, and those that this regional paper focuses on. For example, in many Asian countries the high purchase cost of housing is often due to high land prices, which are a result of inadequate land policies that result in insufficient available land for development. Likewise, the lack of housing finance or

unsupportive finance terms (for instance, high down payment requirement, high interest rates, short loan periods) also directly limit housing affordability especially for lower- and middle income groups.(

Various types of housing affordability conceptions can be identified. Among these, two are prominent (Quan & Robert, 2009). According to the first conception, affordability is concerned with securing some given standard of housing at a price or Assessment of Affordability of Private Residential Developments in Addis Ababa a rent which does not impose, in the eyes of some third party (usually government), an unreasonable burden on household incomes. This approach is more frequently employed.

The second type defines housing affordability by the adequacy of the residual income remaining for other household needs after deducting housing expenditures. This is residual income approach. In the residual income approach, housing is considered affordable when people can adequately consume both housing and non-housing goods.

Quan & Robert (2009) further breakdown affordability and view it in at least three different ways. Accordingly, distinction is drawn between the concepts of purchase affordability, repayment affordability and income affordability. Purchase affordability considers whether a household is able to borrow enough funds to purchase a house. Repayment affordability considers the burden imposed on a household of repaying the mortgage. Income affordability simply measures the ratio of house prices to income.

It is important to recognize that a proportion of dwellings are actually available for sale or for rent at any given time, plus newly built dwellings coming on stream constitute housing

supply. Equally, a proportion of households plus newly forming households who are actively seeking a home at any one point in time constitute effective demand – those who want and are able to afford to rent or buy.

There may also be ‘pent-up’ housing demand, from people who would like to rent or buy a home but are unable to do so. The main reason for this is affordability, although there can also be housing on the market that is affordable to a range of households but is not desirable or suitable (Cambridge Centre for Housing and Planning Research, 2009).

2.4 Measures of Housing Affordability

While there is no universally agreed measure of what constitutes ‘affordable housing’, there are three common measures, which are associated with two components: housing costs and household income.

The first is house price-to-income ratio. The ratio is calculated by dividing the median house price by the median household income. It shows the number of annual median salaries it takes to buy a median priced house. Countries that have particularly high house-price-to-income ratios are typically those with high land prices and construction costs.

The second measure is house rent-to income ratio. This ratio is calculated by dividing the median annual rent by the median annual renter household income. While there is no universally agreed ratio or percentage at which owner-occupied or rental housing is deemed unaffordable, these two measures enable cross-country comparisons as well as the ability to track housing affordability within a country over time, as incomes and house prices rise and/or fall.

The third measure of affordability is the residual income assessment. It is represented as a percentage of household income spent on housing-related expenses and demonstrates a household's ability to financially service housing without compromising on necessary non-housing expenditure.(UN-HABITANT,2011)

2.5 Housing Stock

When the government of Ethiopia nationalized urban land and extra houses under proclamation No. 47/1975, about 60 percent of the housing stock was transferred to government ownership. And two types of Government -owned rental units are established; the Agency for the Administration of Rental Houses, and Kebele Housing managed by Kebele Administration units, the smallest government administration unit, operating at the neighborhood level. According to MUDHC, still one-fourth of the total housing stock in urban areas is under the government ownership.

Of the total rented houses that are under government ownership, houses under Kebele administration accounted for 93% of this rental accommodation (UNHABITAT, 2010). These Kebele houses are old, were constructed many decades ago and little or no maintenance has been carried out. Some houses remain without access to water and electricity, and many of them do not maintain minimum standards of sanitation. The major reasons for Kebele housing stock to be of a low quality are no adjustment was made on rent price and the government inactive in the maintenance of these houses (MUDHC, 2005 E.C).

The other stocks of houses are private/owner occupied houses, these houses were of relatively low quality but they are of a higher standard than Kebele housing. They are not much deteriorated due to owners' greater attention to maintenance.

In general, of the total available housing stock 70 per cent need total replacement and only 30 per cent is in a fair condition (UNHABITA, 2010).

2.6 Low Income Housing

Poor households face the greatest challenges with getting decent housing they can afford. For a poor family with monthly income of less than 500 Birr it is difficult to afford even a room rent of 100 Birr, Martha (2006). The government has limited options for assisting the very poorest households; a broader number of policies may help working poor people employed in the informal sector to gain a stable adequate housing. Several policies already enumerated in this strategy could work to facilitate housing for the working poor, Martha (2007).

Governments in high income countries place a great emphasis on directly assisting housing for low income people, often through demand-side subsidies such as vouchers that pay a portion of monthly housing cost for poor families. In a low income country, such a policy is difficult to sustain for two reasons: there is a huge potential demand for housing subsidy because so many people are poor, and government financial resources are very limited. Policies to either offer vouchers or directly construct and subsidize new housing are very expensive. The menu of recommended options discussed below are lower cost approaches that could work better in Ethiopia, building on many recommendations contained in earlier sections of this strategy, Martha (2007).

2.7 Nature of the Housing Sector and Its Problems

Housing, as many people may perceive it, does not mean shelter only, it means more than that. Housing is one of the basic necessities for human survival. It has manifold social, economic, and cultural implications beyond the basic functional aspect of shelter .As

UNHabitat (2010 b) defines housing is the living environment, which protects man from harsh physical and social conditions, neighborhood, the physical structure and, all services and facilities needed for the physical and social well-being of the family or the individual. This definition implies that the concept of housing includes, in addition to the dwelling shelter, accessory physical and social infrastructures as well as neighborhood social networks that have implications on the social, political and cultural lives of households. In a broad sense, housing indicates the welfare and quality of life of a society as one can judge the life standards of a society by looking at the housing structure and condition of that society.

From economic point of view, houses are stable assets that form 20 to 50 percent of the reproducible wealth in most countries (Dejene, 2007). Further; housing is intimately related with family life and is a pillar of household satisfaction and social stability. The housing sector is thus an integral part of the overall economy of societies rather than limited to the issue of social welfare (Solomon, 2005)

2.8 Policy and Legal Frameworks Related to Housing

Since 1991 Ethiopia has had a decentralized regulatory structure with considerable autonomy devolved to regional states regarding the management of their internal affairs. The country is divided into nine states (Kilils) and two autonomous administrative areas, the cities of Addis Ababa and Dire Dawa.

Each state comprises zones, districts (Woreda), cities, and neighborhood administrations (Kebeles). In each region the districts are the basic planning unit and have jurisdiction over the kebeles. The capital city of Addis Ababa has ten sub-city administrations, 114

weredas. All land is property of the national government and is leased, not sold, for development.

Until recently, there were few national coordination policies regarding housing and urban development. In 2005, the Council of Ministers of the Federal Democratic Republic of Ethiopia formulated and approved a consolidated Urban Development Policy to link together the small-scale efforts made by regional governments and cities since 2000. They also created the national Ministry of Works and Urban Development (MWUD) to guide the overall development of the country's urban areas and conducting studies on its urbanization patterns.

Within MWUD, the National Urban Planning Institute is responsible for preparing physical urban development plans, the Housing Development Bureau works towards the implementation of the IHDP including the MSE Development Program, the Urban Development Support Services deal with financial planning, human resources, and capacity building.

2.9 The Vision of the Integrated Housing Development Program

The preceding sections have demonstrated the significant challenges facing the Ethiopian housing sector. Sustained high urbanization and population rates will put extra pressure on already failing and deteriorated urban infrastructure, services, and housing stock. The massive housing needs are unlikely to be met by the small scale housing cooperative, government, and upgrading. In response to this challenge, the Ethiopian government outlined an ambitious vision for low-income urban and housing development, formulated as the Integrated Housing Development program (IHDP), for all

slums to be cleared within ten years time and for Ethiopia to be a middle-income country by 2025. In particular:

‘The IHDP envisages...the program of housing as an instrument to promote urban development, create jobs, revitalize the local urban economy through MSE development, encourage saving and empower urban residents through property ownership, and develop the capacity of the domestic construction industry.’

2.10 The Integrated Housing Development Program

2.10.1 Overview, Origins and Significance of the Program

The Integrated Housing Development Program (IHDP) is a government-led and financed housing provision program for low-and middle-income households in Ethiopia. The program was launched in 2004. Within the IHDP, specific projects are undertaken on either brown-field sites or slum areas that are cleared and residents re-housed. The common attribute of each project is the type of housing developed, condominium housing: multi-storied housing units for several households where communal areas are jointly owned and managed..

The IHDP has impressive targets. The mandate of the IHDP is to reduce slum areas in the city by 50 per cent and address and improve the unemployment percentage in the capital within five years, through the building of nearly 400,000 new units nationally. As of mid-2010, the government had built a total of 80,257 housing units in Addis Ababa.

2.10.2 Significance of the program

The Ethiopian Integrated Housing Development Program is an ambitious program that directly addresses the pressing low-income housing challenge. The program is significant and worthy of documentation for four principal reasons.

a. Large scale

The program is a large-scale approach to addressing the current housing deficit, the poor quality of the existing housing stock, and the future housing needs due to continued urbanization. Ethiopia is one of few countries in Africa that has recently implemented a program at such an ambitious scale. The large scale contrasts the prevailing approach of small-scale project based slum upgrading and housing cooperative schemes.

b. Pro-poor

The program allows low- and middle-income households, who typically live in precarious housing situations to access improved housing. Through the construction of durable, fully-serviced housing units the program greatly improves their living conditions, security of tenure, and access to basic services.

Importantly, the program has facilitated access to credit for the low-income sector of the population, through the Commercial Bank of Ethiopia, where previously there was very limited opportunity for low-income households to secure credit for improved housing.

c. Slum prevention and access to homeownership

The program marks a radical departure from previous government-owned rental housing approaches to that of private homeownership. The program highlights government and local authority commitment to addressing housing affordability for the low-income sector of the population and improving the living conditions of the low-income urban dwellers to meet the MDGs and reduce urban slum prevalence rates in Ethiopia.

d. Integrated approach to housing and economic development

The program recognizes the opportunity for housing to stimulate the economy, create employment, and improve the capacity of the construction and financial sectors. The

adoption of cost-effective construction techniques and systems, notably pre-cast concrete elements, have reduced construction costs (by up to 30 per cent) compared with conventional systems, improved the speed of construction, and facilitated the development of small and medium enterprises to produce construction elements. Furthermore, effective quantity surveying and construction management systems have helped reduce construction costs and material wastage, resulting in a program that is extremely cost-efficient

2.11 Historical Background

According to many scholars, the concept of condominium is quite old: “There is at least one record of the sale of part of a building, in ancient Babylon [modern Iraq], during the First Dynasty, nearly two centuries before the birth of Christ,” and there is evidence of the use of the system among the Greeks, Egyptians, and others. Condominium housing is a name given to the form of housing tenure where each resident household owns their individual unit, but equally shares ownership and responsibility for the communal areas and facilities of the building, such as hallways, heating systems, and elevators. There is no individual ownership over plots of land. All of the land on a condominium site is owned by all homeowners. Usually, the external maintenance of the roof and walls are undertaken by a Condominium association that jointly represents ownership of the whole complex, employing strict management to ensure funding from each homeowner.

It was during the Middle Ages, when walls were constructed to enclose cities in order to provide security, that building space became scarce in many European cities. This lack of space led to individual ownership of parts of a building, sometimes even individual ownership of single rooms, in cities such as Orleans and Paris. This “ownership of floors of houses, and

even rooms, in the hand of different persons was common in various parts of Europe. The condominium concept of homeownership became especially widespread in the French cities of Nantes ,Saint Malo, Caen, Rouen, Rennes, and Grenoble. “In Rennes a catastrophic fire in 1720, which destroyed most of the city, forced inhabitants to build a new under a system of wider streets and taller, multifamily buildings. The experiment was so successful that the system was firmly adopted.”

Regulation of condominium ownership during these early years was more by usage and tradition than by formal legal rules. The lack of clear rules in many cities regarding the repair and maintenance of common areas, however, led to disputes among owners. Questions such as who was responsible for the repair of the roof or the stairwell or even the building’s foundation were often hotly disputed. Frequency of disputes helped to make the condominium concept unpopular in certain areas. This began to change with the first statutory recognition of the condominium concept in the Code Napoleon. The Code Napoleon of 1804 made provisions in Article 664 for the separate ownership of floors and the regulation of maintenance and repairs of the common parts of the building:

When the different stories of a house belong to different proprietors, if the titles to the property do not regulate the mode of reparations and reconstructions, they must be made in manner following: The main walls and the roof are at the charge of all the proprietors, each in proportion to the value of the story belonging to him. The proprietor of each story makes the floor belonging thereto. The proprietor of the first story erects the staircase which conducts to it; the proprietor of the second story carries the stairs from where the former ends to his apartments; and so of the rest.

John Henry Wigmore said of the Code Napoleon: “That code stands out as one of those few books which have influenced the whole world. The Code Napoleon was soon translated into almost every language (John Henry Wigmore, a panorama of the world’s legal systems 1031, 1928).” French laws, introduced into all those territories annexed by Napoleon, were often retained or incorporated into the local code by the individual countries after Napoleon’s defeat. As a result, the condominium concept spread to other European countries and, eventually, to other parts of the world as Europeans immigrated to other continents. Although the informal ownership of floors or parts of buildings existed in countries such as Austria Switzerland, and Germany as early as the twelfth century, especially among the poorer citizens, by 1900 the German civil code included a provision “expressly forbidding the practice of ownership of a part of a building ‘. This was a result of much official opposition in Germany to the condominium concept by jurists, the police, and the taxing agencies. Many argued that, “a part of a building could only belong to the owner of the land on which the building rested.” Switzerland and Austria soon followed the example of Germany when they adopted restrictive provisions in 1912(Donna S. Bennett, 2014).

The destruction of housing in Europe during two world wars, however, as well as the high cost of construction, lack of available land in densely populated areas, and the desire for homeownership rather than tenancy, fostered a renewed interest in the concept of condominium in the continental countries. “As the number of condominiums increased and the demand for standard agreements to cover a number of practical problems became stronger, special statutes were adopted.” Beginning in the 1920s, a number of European countries began to pass legislation that was designed to clarify the rights and obligations of the owners of flats, especially regarding responsibility for the common parts of the building.

The commonality of this legislation consisted in “two separate, but closely connected rights. Of these two rights, one is a share in the undivided co-ownership, while the other is a separate right over the flat or other part of the building.” Countries have differed in their views of which right is the predominant or principal one and which the accessory. The French have made the ownership of the flat the principal right. German law has adopted a different attitude: here the share in the co-ownership of the common parts must be regarded as the principal right of the flat owner, and his right of separate ownership of the flat as merely accessory. It is inherent in the legal construction of flat ownership under Continental legislation that the two rights—the co-ownership share, and the right in the particular flat—cannot be severed at will.

2.12 Brief History of Land and Housing in Ethiopia

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. Housing supply was led by the landowning elite with less than one per cent of the population owning more than 70 per cent of the arable land, on which 80 per cent of the peasants were tenants.

Low-income households had little option but to rent housing and this was done outside of any formal control or planning system. In 1962, for example, 58 per cent of the land in Addis Ababa was owned by only 1,768 by the mid-1980s, rental housing accounted for 60 per cent of the total housing stock in Addis Ababa (Kebbede, G. Jacob, M. 1985) . The low rental rates resulted in little to no investment in housing, which led to a further deterioration of housing quality. Individuals, equating to ownership of over 10,000m each, leading to 55 per cent of housing units being rental housing(Kebbede, G. Jacob, M., op.

cit). While government urban housing and land strategies were debated and documented at length they did not materialize into built projects to address the severe housing demand.(UN-HABITAT,2011)P,2.

The government exhibited little national commitment to land and housing development for the low-income sector and there was no coherent approach or action toward land and housing provision. Therefore ad-hoc policies and approaches prevailed and informal, unauthorized housing proliferated.

In 1974, the land and housing situation significantly changed as a result of the political revolution that saw the overthrow of Emperor Haile Selassie by the Soviet supported junta, the 'Derg'. In JulyV 1975, Proclamation No. 47: 'Government Ownership of Urban Lands and Extra Houses ' nationalized all urban land in an effort to force a fairer distribution of wealth across the country(Teshome T . 2008).

Two new typologies in the housing sector were established: Government-owned rental units, administered by the Agency for the Administration of Rental Houses, and Kebele Housing managed by Kebele Administration units, the smallest government administration unit, operating at the neighborhood level. During this time approximately 60 per cent of housing in Addis Ababa was rental accommodation and Kebeles accounted for 93% of this rental accommodation .

A consequence of the nationalization was a significant reduction in the rental price for low-cost rental housing of between 15 and 50 per cent for occupants paying below ETB 300 (USD 23). In Addis Ababa, the rent of 80 per cent of the city's population was

reduced by 30 per cent . Housing supply was controlled by the centralized government yet it was drastically insufficient to meet the large demand. For instance, in Addis Ababa between 1975 and 1995, only one-tenth of the projected dwellings were built because of “very low effective demand, rock-bottom national housing investment rates, and from regulatory constraints in the supply of land, credit, and building materials” (emphasis added).

During the late 1980s, the ‘Derg’ loosened its control of housing supply by allowing private house owners and tenants of public premises to sell and exchange their houses although in reality the government devolved very little control and maintained its position as the key driver of housing supply. Proclamation No. 292 of 1986 specified that “ residential buildings could be produced only by state enterprises, municipal governments, housing cooperatives and individuals who build dwellings for their personal consumption (Mulugeta, S. 1995) ,effectively excluding large-scale private sector housing developers to address the large demand.

The housing stock continued to be characterized by high rates of rental housing. By the mid-1980s, rental housing accounted for 60 per cent of the total housing stock in Addis Ababa . The low rental rates resulted in little to no investment in housing which led to a further deterioration of housing quality . The housing conditions were poorest in the centre of Addis Ababa. According to the 1985 analysis report by the Municipal Technical College for the Teklehaimanot Upgrading Scheme, the average house had a floor area of 20m², 35 per cent of all houses had only one room, and 39 per cent of the urban

population lived in overcrowded housing that lacked basic services such as potable water and sanitation(Kumie A. and Berhane Y.)

Since the overthrow of the 'Derg' by the Ethiopian People's Revolutionary Democratic Force (EPRDF) in 1991, Ethiopia has been undergoing market-orientated reforms, structural adjustment policies, decentralization of governing structures, and a program of agricultural development-led industrialization.

Following the new constitution and federal system of government, in 1994 a rural development policy, named the Land Reform Program, was introduced. This sought to decentralize urban planning responsibilities and to encourage secondary cities to attract rural migrants to ease pressure on the already limited housing available for urban dwellers living in Addis Ababa and other major urban areas(Acioly C. 2010).

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.

2.13 Current low-income housing approaches

Private sector housing supply remains constrained by high costs and time required for title registration, land access, construction material supply, along with cumbersome and expensive procedures for land and property transactions and the shortage of experienced private developers (Aneley , A. 2006)

Slum upgrading continues to be a marginal approach to improve low-income settlements. In Addis Ababa, there was one notable government slum upgrading programme, led by the Environmental Development Office (EDO), established in 1994, although housing improvement did not feature as part of this programme.

Slum upgrading programmes remain piecemeal and small scale, and do not directly address the housing units but rather the urban infrastructure and services. Many officials and local professionals believe that slum upgrading ‘does not work’ in Ethiopia because of the irreparable state of the housing units, the massive deficit that such small-scale programmes cannot address, and the need to increase density on valuable inner-city land.

The prominent current government approach to solving the low-income housing challenge is the Integrated Housing Development Programme (IHDP), initiated by the Ministry of Works and Urban Development (MWUD) in 2005.

The Programme is a continuation of Addis Ababa Grand Housing Programme' which is supported by the endeavors of the Ethiopian Government in their implementation of the 'Plan for Accelerated and Sustained Development to End Poverty' (PASDEP). The IHDP aims to:

- a) Increase housing supply for the low-income population
- b) Recognize existing urban slum areas and mitigate their expansion in the future
- c) Create job opportunities for micro and small enterprises and unskilled laborers, which will in turn provide income for their families to afford their own housing
- d) Improve wealth creation and wealth distribution for the nation

CHAPTER THREE: METHODS AND SOURCE OF DATA COLLECTION

3.1 Research Design

The descriptive research design was used because; it is suitable to describe the degree and nature of problems of access to residential housing that government employee's encountered in the study area. Both qualitative and quantitative research approaches were used for this study. According to Hall (1996), using both strategies is due to gradually agreed realization by social scientists to compensate the problems associated with both strategies by the strength of the other. The mixed research approach is useful to capture the best of both qualitative and quantitative approaches. Thus, the study was employed both quantitative and qualitative research approach of data collection and analysis to keep its validity and reliability. Quantitative aspects which focused upon the data with numeric nature was selected to address the research objective that aimed to assess the existing problems and qualitative type also helps to compensate the deficiency of quantitative analysis and provide a more explanatory power to it.

3.2 Research Methodology

Research methodology is a way to systematically solve the research problem. It may be understood as a science of conducting research is a scientific way. A researcher may choose qualitative, quantitative or a combination of the two methods depending on the type of environment and the type of questions attempted to be answered (Bryman, 2004).

Based on the nature, objectives and available resources, in this study, the researcher used descriptive survey research design. According to Leedy et al (2005) descriptive survey involves acquiring information about one or more groups of people by asking them questions and tabulating their answers. Leedy et al (2005) further explained that the ultimate goal of survey research design is to learn about a large population by surveying their representative sample, summarizing them using statistical tools. The main reasons to select descriptive survey approach were that: It is the most economical method of obtaining information via email and postal service from a sample that is geographically wide spread area (Leedy et al., 2005). Descriptive survey study is not time taking to collect data from large populations. Drawing inferences about a particular population from the responses of the sample would be possible.

3.3 Population and Sampling Methods

Sampling involves the selection of a number of study units from a defined study population. The population is too large for us to consider collecting information from all its members. Instead we select a sample of individuals hoping that the sample is representative of the population.

According to Diamantopoulos (2004), a population is a group of items that a sample will draw. A sample, on the other hand, refers to a set of individuals selected from an identified population with the intent of generalizing the findings to the entire population. A sample is drawn as a result of constraints that make it difficult to cover the entire research population (Leedy et al., 2005).

Based on this concept, in this study we use stratified random sampling strategies to include for qualitative studies to get the particular target population. In this context the target

populations are those of the 10th round condominium house beneficiaries at Tuludimtu condominium house site. To determine the sample size of the given population we use the following formula

A Simplified Formula for Proportions

Yamane (1967:886) provides a simplified formula to calculate sample sizes.. A 95% confidence level and P= 0.5 are

$$n = \frac{N}{1 + N(e)^2}$$

Where n- is the sample size,

N- is the population size, and

e- is the level of precision.

When this formula is applied to the above sample, the following result were obtained

$$n = \frac{4733}{1 + 4733(0.5)^2} = 369$$

Out of the total 369 dispersed questionnaire 270(73.17%) of them are returned. The collected questionnaires are nearly approximate to the typology that constructed in the site.

Table 3.1 Population, sample size and collected questionnaires

Typology	Total houses constructed in each typology	Sample size	Total no returned questionnaires	Returned questionnaire in%
Studio	792	62	45	72.58
One bed room	1920	150	108	62.43
Two bed room	1236	96	69	71.60
Three bed room	785	61	48	78.43
Total	4733	369	270	73.17

Source: (field survey 2017)

3.4 Data Collection Tools

The researcher used both primary and secondary data collection methods. The primary data, both qualitative and quantitative were collected through questionnaire, in-depth interview, focus group discussion and personal observation. Both open and close ended format questions was design to obtain information on the affordability of condominium housing for low income people in the study area. The secondary data were collected from published and unpublished literatures and responsible bodies such as books, internet, and statistic of abstract of data from Addis Ababa Housing Development Agency, condominium houses transferring offices.

3.4.1 Primary Data Source

We can collect primary data during the course of doing experiments in an experimental research but in case we do research of the descriptive type and perform surveys, whether sample surveys or census surveys, then we can obtain primary data either through observation or through direct communication with respondents in one form or another or through personal interviews.

This, in other words, means that there are several methods of collecting primary data, particularly in surveys and descriptive researches. Important ones are:

- i. observation method,
- ii. interview method,
- iii. through questionnaires,
- iv. through schedules, and
- v. other methods

which include (a) warranty cards; (b) distributor audits; (c) pantry audits; (d) consumer panels; (e) using mechanical devices; (f) through projective techniques; (g) depth interviews, and (h) content analysis.

In this research paper interview methods and questionnaires are widely applied. The questionnaire are dispersed and collected from the 10th round Tuludimtu site condominium lottery winner. The overall information related to the research topic gathered from AAHCPO managers, 10th round condominium cost estimator committee and commercial bank of Ethiopia higher officials and managers through interview.

3.4.2 Interview

The interview is conducted with Addis Ababa housing construction project office managers, condominium house price estimating committees, commercial bank of Ethiopia managers and higher officials.

3.4.3 Secondary data source

Secondary data means data that are already available i.e. they refer to the data which have already been collected and analyzed by someone else. When the researcher utilizes secondary data, then he has to look into various sources from where he can obtain them. So in this proposal conceptual and empirical data collected from other related research papers, from Addis Ababa Housing Development Office bulletin, IHDP documents and from other related printed media, electronics media and published magazine and books.

3.5 Data Analysis

The collected data were analyzed and interpreted both qualitatively and quantitatively. To achieve the above objectives of assessing affordability of condominium houses descriptive statistics, simple quantitative techniques like percentage were used. The qualitative data from different sources were analyzed contextually and gives detailed description about the problem of housing shortage. The summarized data displayed in tables and different pictures/ charts.

The interview process was not recorded for the sake of respondents' confidentiality however the researcher took notes attentively during discussion and filled the questioner in a separate paper duplicated ahead. The respondents answer was translated from Amharic to English during analysis. The finding has been analyzed using the literatures and conceptual frameworks.



Figure 3.1 Site plan of Tulu Dimtu condominium (Source: compiled from project 11 construction contract administration, 2017)

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

INTRODUCTION

In this chapter we discussed on all information that gathered in questionnaire and interviews. The quantitative research findings are outlined in table, different types of charts and text form. Each result was discussed in short, however; certain result of the study were carried out thoroughly based on the nature of data .The questionnaires have both closed and open ended questions. The information gathered by detail interview analyzed using qualitative methods.

4.1 Demographic Features of the Respondent

Gender of respondent

Table 4.1 Frequency of gender of respondent

Gender of Respondent	Frequency	Percent
Male	72	26.8
Female	198	73.2
Total	270	100

Source: field survey, 2017

As shown table 4.1 above, regarding demographic feature of respondent out of the total 270 respondents 72(23%) of are males and the remaining 198(73%) are females. It reveals that females are more benefited from the 10th round condominium house transferring program.

This is happening because of the additional patronage of the government that provides to females that make them more beneficiaries in this program. Especially female government's employees have 50% additional chances to get the condominium lottery. From this we understand that females are supported a lot to be homeowner.

Table 4.2 Frequency age of respondent

AGE OF RESPONDENT	Frequency	Percent
25-35	32	11.85
36-45	195	72.22
46-55	40	14.81
ABOVE 55	3	1.11
Total	270	100

Source: field survey, 2017

As shown in above table 4.2 out the total respondent (84 %) of both sex respondents are between the ages of 18 to 45. This implies that majority of them are in productive age and who may have the ability to pay back their debt under normal circumstances.

Educational back ground of the respondent

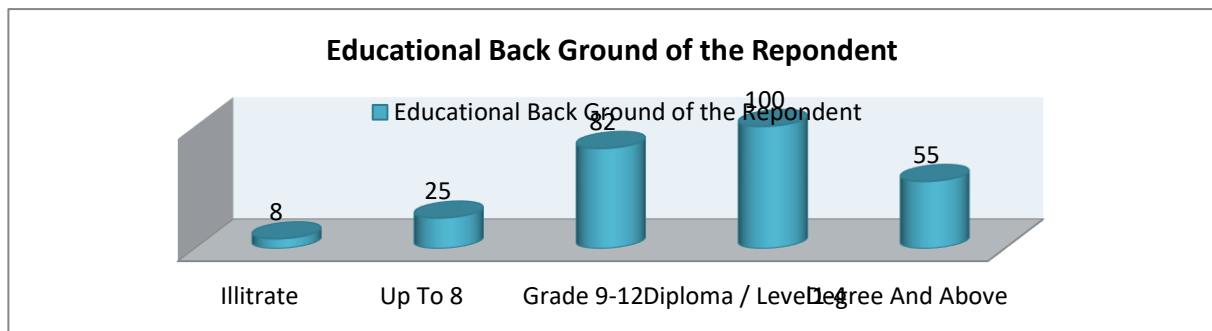


Figure 4.1 Educational back ground of respondent (source: field survey, 2017)

As it can be observed from figure 4.1 The study implies, out of the total respondent that have condominium houses only 2.96 % are illiterate, the other 25 (9.3 %) learned up to grade

eight, 82 (30.4 %) of them up to grade 10/12, (37 %) of them have taken vocational training that means they have hard or soft skills technical knowledge. The remaining (20.4%) of the respondents have degree and above educational back ground. Therefore the distribution show the condominium houses are disseminated for different type of educational back ground of the city dwellers.

Marital Status

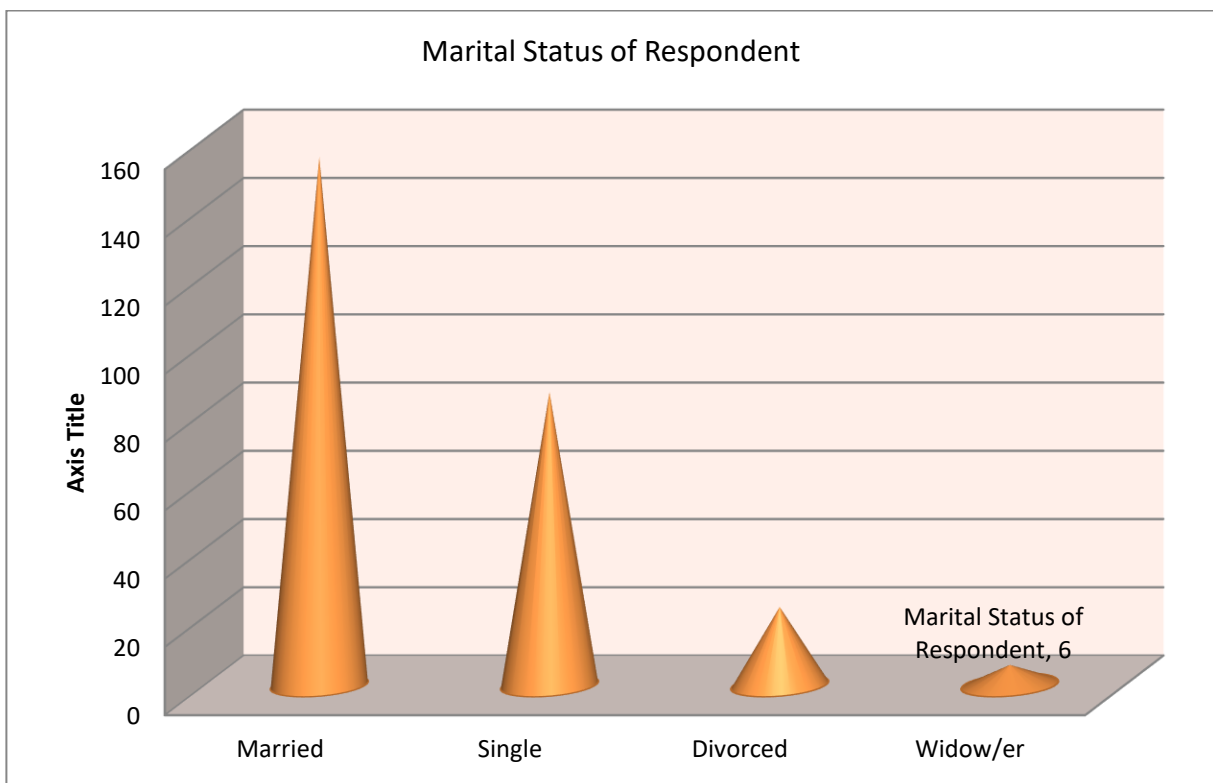


Figure 4.2 Distribution of marital Status of Respondent (Source: Field survey, 2017)

As shown figure 4.2 regarding the marital status of the condominium beneficiaries 175 (66%) are married, 66 (24%) are single, six (2.2%) widow/widower and the remaining (8.5 %) are divorced. The data tell us majority of (76%) the condominium houses transferred to those of married, divorced and widow/er are vulnerable to the housing problem so we can conclude that the condominium houses are transferred to deserved households.

Number of Family

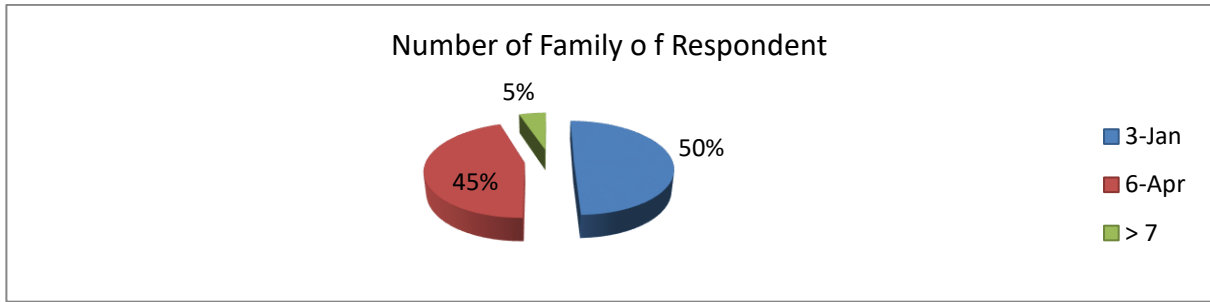


Figure 4.3 Number of Family of Respondent (Source: Field survey, 2017)

As indicated in figure 4.3, out of 270 respondents, 134 (49.6%) have 1 up to 3 family members, 122 (45.2%) have 4-6 family members, and the remaining 14 (5.2%) respondents have seven and above family members. The distribution shows that 50.4% of the respondents have above 3 family members, which means those families who have a greater number are benefited in this program.

4.2 Response of Respondent on Affordability of the Condominium Houses

Monthly Income

Table 4.3 Distribution of Monthly Income of Respondent

Monthly Income of Respondent	Frequency	Percent
500-2000	57	21.11
2001-4000	143	52.96
4001-6000	39	14.44
6001-8000	22	8.15
8001-10000	6	2.22
Above 10000	3	1.11
Total	270	100

Source: field survey, 2017

The principal aim of this study is to examine whether the condominium houses are affordable to the beneficiaries or not. Affordability is the most significant variable of this study. Affordability is affected by monthly income of the households. So let us see monthly income of the respondent as shown table 4.3. The monthly income of 57 (21.1%) of participants is less than 2000 birr, 143(53%) of them gain monthly income of 2001 up to 4000. Only the remaining 70(26 %) gain above birr 4000 monthly income. Therefore, majority (74.1 %) of the respondent's income is less than 4000. It implies majority of the beneficiaries are low income households.

Employment Status

Table 4.4 Distribution of Employment Status of the Respondent

Employment Status of the Respondent	Frequency	Percent
Government Employee	210	77.78
Self Employed	27	10
Private Employed	23	8.52
Ngo Employed	5	1.85
Pension /No Job	5	1.85
Total	270	100

Source: Field survey, 2017

The table 4.4 indicate that from the total number of respondents 210(77.78 %) of them are government employee, 27(10 %) self employed, 23 (8.5 %) of them are private employed, five (2%) NGO employee and the remaining (2%) is pensioner. In this program majority of the beneficiaries are government employees. Therefore this is also one of the housing program remarkable achievements.

The manner of acquiring the house

Table 4.5 Distribution manner of acquiring the condominium house

Way Win The Condominium Houses	Frequency	Percent
I am Lottery Winner	256	94.81
I Bought	14	5.19
Total	270	100

Source: field survey, 2017

According to above table 4.5 from the total respondent 256(94.8 %) of them say that they got the condominium houses through lottery system. The remaining 5.2% of them acquired the houses by purchasing from the lottery winners. From this we can determined that the program treat all registered residents equally.

Types of the house

Table 4.6 Typology of the Condominium

Typology of the Condominium	Frequency	Percent
Studio	45	17
One Bed Room	108	40
Two Bed Room	69	26
Three Bed Room	48	18
Total	270	100

Source: field survey, 2017

Table 4.6 show us, according to the respondents answer the frequency of typology of the houses 45(17%) of them are studio, 108(40%) of them are one bed room, 69 (26 %) of them got two bed room, the remaining 48(18 %) get three bed room. the distribution is nearly equal to the actual typology that constructed by project 11 offices. Therefore, the collected data represent the actual constructed condominium houses at tuludimtu site.

Capacity of the household to Pay Advance Payment

Table 4.7 Source of income to pay back advance payment loan

Source of Income to Pay Back Advance Payment Loan	advance payment	Percent
From My Own Saving	27	10
From Family	126	47
From Micro Finance	69	26
Others	48	18
Total	270	100

Source: field survey, 2017

The above table 4.7 reveals that from the total respondents, majority 126 (47%) of them paid their loan with fund of their nearby peoples or relatives, the other 69(26 %) of respondents paid the loan by borrowing money from credit associations and other lending institutions. Only 27 (10 %) respondents said, they paid the advance loan from their own saving and the remaining 48 (18%) participants paid by other means of income. From the total respondents almost (90%) of them, do not have their own enough saving (money) to pay the required amount of down payment. It means down payment is too expensive for target group.

Monthly Settlement of Micro Finance Initiations' loan

Table 4.8 Monthly loans pay back for micro finance initiations

Monthly Pay Back for MFI	Frequency	Percent
500-1500	60	86.96
1501-2500	2	2.9
2501-3500	7	10.14
Total	69	100

Source: field survey, 2017

The above table 4.8 shows that from 69 respondents that take loan from different micro finances institution to pay the advance payment. From total respondent 60(86.96 %) of them paid from Br 500 to 1500, the other two (2.9 %) paid within range of Br 1501-2500, seven (10.14%) from 2501 - 3500 Birr per month. The data show us, this group suffers a lot, because of superimpose debt of different sources.

Settlement of the 80% Mortgage Loan Principal and Interest

Table: 4.9 Distribution of Pay Back of Principal

pay back of principal	Frequency	Percent
500-1500	54	20
1501-2500	99	36.67
2501-3500	69	25.56
3501-5000	48	17.78
Total	270	100

Source: field survey, 2017

According to the typology of house they have, the monthly mortgage loan payment is different for different beneficiaries. 99 (36.67 %) of the participants that live in one bed room paying monthly mortgage with range of 1501-2500 Birr. 69(25.56%) of them that have one bed paying monthly with range of 2501-3500 Birr. The other respondents that have studio type houses, paying monthly mortgage 500-1500 Birr. The remaining respondents 48(17.78 %) of them have three bed room condos paying their mortgage with range of 3501-5000/ month (see table 4.9). Generally the monthly payment of the condominium houses are nearly equivalent to their monthly income that means the monthly mortgage payment take most of their monthly income. So unless they get additional income or helped by someone or renting to someone, reimbursement of the loan is difficult task for middle and low income dwellers.

Failure of mortgage payment and reasons

Table 4.10 Distribution of failing of paying monthly debt

Failing of Paying Monthly Debt	Frequency	Percent	Reasons for Failure of Paying Monthly Debt	Frequency	Percent
NEVER	149	55.19			
SOMETIMES	96	35.56	Sometimes I face shortage of money	43	35.54
FREQUENTLY	25	9.26	Frequently I face shortage of money	11	9.09
			They have loan from different sources	67	55.37
Total	270	100	Total	121	100

Source: field survey, 2017

As the above table 4.10 reveals, from the total participant of this study 96 (35.56 %) of them say, sometimes they might fail to pay their monthly mortgages, the other 25(9.26 %) of the total participant frequently fails to pay back the monthly debt. The remaining 149 (55.19 %) of them say they have paid regularly their monthly debt. The reasons that forces them for overdue are 88 (55%) of them say their debt is many, the other 43(35.5%) of the participants mention sometimes they face shortage of money ,the remaining 11 (9.9%) respondents say, frequently they face shortage money to refund the 80% debt. Generally above 50% of the respondents, have debt from different sources.

Frequency of Renting the Condos to Someone and their Reasons

Table 4.11 Frequency of renting the condos to someone and their reasons

Description	I rented to someone		To pay monthly mortgage		Far from the work place and schools		Lack of infrastructures		another alternative	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
YES	225	83.33	206	98.1	79	37.62	88	41.9	9	4.29
NO	45	16.67	4	1.9	131	62.38	122	58.1	201	95.71
Total	270	100	210	100	210	100	210	100	210	100

Source: field survey, 2017

Table 4.11 indicates that 225(83.33%) of respondents rented the condos to someone. According to their response most of them rented their home not due to they have another opportunity or not to get additional income. The main reason of (98.1 %) of sample group to rent their house is the sake of refunding their monthly mortgage reimbursement. The principal amount and the interest is great burden for them. In addition to this 79 (37.62%) of them mention that since the condominium houses are constructed at periphery of the city, that are far-away from their workplace , children schools and social services. It imposes additional cost and burden. Another complain on the site is its immense infrastructure problem. From 225 respondents that rented their houses are only six (2.2%) of them rent their home because they have other alternative. Generally 98% of the participants are rent their condominium house for the sake of refunding their debt.

Monthly saving and expenditures status

Table 4.12 Distribution of Monthly Saving and Expenditures

Monthly Saving and Expenditures	Frequency	Percent
From 25-50 %	5	1.85
From 51- 75%	9	3.33
From 76 -95 %	78	28.89
From 96-100%	178	65.93
Total	270	100

Source: field survey, 2017

Under normal circumstance every household is needed to save 25% to 30% of its monthly income before making any expenditure including debt. Regarding to saving the government has got remarkable achievement in increasing the citizens saving culture using different mechanisms. One of the government action that taken to enhance saving culture of the society is obliging the condominium registered people to save certain amount of money for advance payment. It is undeniable that after the condominium houses started the people attitude towards saving is changed positively. But the general purpose of saving is not only for house, there should be saving for other unpredicted and predicted happening. So when we see the condominium house beneficiaries from this point, the fact that exists on the ground is not acceptable. As shown in table 4.12 out of 270 respondents 178 (66%) of them spent 96 up to 100 % their monthly income for food and related expenditure after the monthly debt have paid. 78(28.9 %) of them spent for condominium debt refund , for food and related costs

from 76 up to 95% their total income , the other six (13.33%) respondents approved that they spent up to 75% total income for the above mentioned expenditure. Only five (2 %) of them are spent 50% of their income for paying condominium debt, food and related expenditures. Here we can say that only 5.4 % of the condominium beneficiaries paid the condominium house without pain.

Rate of proportionality of income vs. price of condominium houses

To compare the change in condominium house costs related to change in income of the civil servant within the last 10 rounds there is great disparity. Let us see in the following table

4.13 Comparing target group income with actual piece of condominium house

Descriptions	In year 2012	In year 2015/2016	Incremental ratio
Lowest civil servant salary/month	420Br	860 Br	2.05 ≈ 2
Lowest cost typology/studio per m ²	665 Br	2483 Br	3.73≈ 4

Source:- Government salary scale (2012) and comparing target group income change with condominium house cost rising

Since most of the population of Addis Ababa are considered as the target group let us take the civil servant group as an example as shown on table 4.13. Before the price of the condominium house shooting up (till year 2015) the lowest income civil servant salary was 420 birr per month (government salary scale 2011) and as the same time the cost of lowest typology was 665/m² Birr. In year 2016 the lowest salary/month rises to birr 860/month (government salary scale 2017) while the cost of condominium house for studio 2483/ m² increased which means within 5 years the income of the population increased with 2 folds but the cost of the studio increased by 4 folds.

Table 4.14 Comparing housing cost with saving

(a)Housing Type	(b)Estimated cost in year 2013	(c)Actual Cost in Average	(d)Monthly Saving	(e)Number of saving months	(f)10 th round /year 2015/ amount to be deposited / within 2 months/(d*e)	(g)Actual required Advance Payment (C*20%)	(h)The required amount for difference (g-f)
Studio	61,070	70,467.54	151	20	3,020.00	14,093.51	11,073.51
1 BR	126,721	189,605.70	274	20	5,480.00	37,921.14	32,441.14
2 BR	224,000	369,557.58	561	20	11,220.00	73,911.52	62,691.52
3 BR	304,215	427,089.02	685	20	13,700.00	85,417.80	71,717.80

Source: Urban Housing Strategy of Ethiopia, ministry of urban development and construction, Addis Ababa, Ethiopia (August 2013)

For example as shown in above table 4.14 a person who registered for 2 bed room has to put monthly saving of 561/month. When he/she becomes the winner, he/she has to pay 73,911.52 birr advance payment (communications affairs main job process, 2008), and has to pay 2728 Birr per month (MOUDC2014).To analyze the affordability condominium houses for those of the 10th round beneficiaries from the date where saving started up to the lottery date /2014/ there are 20 months .Under ordinary condition the winner saving accumulation only reached Br. 11.220.00 .There is birr 62,691.52 differences in the accumulated and the actual needed amount. So that if the winner has not any other means to pay his debt, it is very difficult to be beneficiary. With in Addis Ababa context because most people spent half of their income for food and the remaining for house rent and other customary costs. To settle all the costs, it is clear that the households exposed to longer time financial crises. The situation forced the beneficiaries to sale their chance/house/. (MOUDC2014 Urban Housing Strategy of Ethiopia

Affordability of the Condominium Costs in View of Respondents

Table 4.15 Affordability of the condominium house to the target society

Descriptions	Frequency	Percent
Strongly believe	5	1.71
Believe	17	6.46
not believe	45	16.78
strongly not believe	203	75.06
Total	270	100.00

Source: field survey, 2017

The principal objective of AAHCPO is alleviating the housing problem of low and middle income inhabitants by pro poor program. To achieve this objective different supportive mechanism are applied by the city government. The project finance structure aims to cross-subsidize the studio and one-bedroom units as a pricing strategy to increase affordability for low-income households. Studio and 1-bed units are sold lower than their individual construction costs and 2- and 3-bedroom units are sold higher than their individual construction costs. The subsidy percentages are: studio -30 per cent, 1-bed -10 per cent, 2-bed +5 per cent, and 3-bed +10per cent of unit construction cost. However the respondent opinion towards the affordability of the condominium houses is as shown above table 4.15.

From total participants, only 22(8.16%) of the respondent says the houses are affordable to target society. The other 248 (91.84%) of them believe that the condominium houses are not affordable to low and middle income class.

Table 4.16 Distribution of Reasons for not affordable of condominium houses

Opinion on the reason	Because advance payment is very high		Because of its high interest		Because the house need additional high finishing cost		Due to shortage of relief time		Delay of house delivery date after the contractual agreement took place	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree	200	74.07	208	77.04	212	78.52	21	7.78	66	24.44
Agree	57	21.11	55	20.37	50	18.52	31	11.48	114	42.22
Neutral	4	1.48	3	1.11	2	0.74	8	2.96	4	1.48
Disagree	7	2.59	2	0.74	3	1.11	185	68.52	84	31.11
Strongly Disagree	2	0.74	2	0.74	3	1.11	25	9.26	2	0.74
Total	270	100	270	100	270	100	270	100	270	100

Source: field survey, 2017

As shown table 4.16 from the alternatives given to respondents amount of advance payment, incurring additional finishing cost, shortage of relief time, and delay of house transfer date after the contractual agreement took place are main points that given to the respondent. Based on the given points respondent forward their response in the following manner.

Advance payment

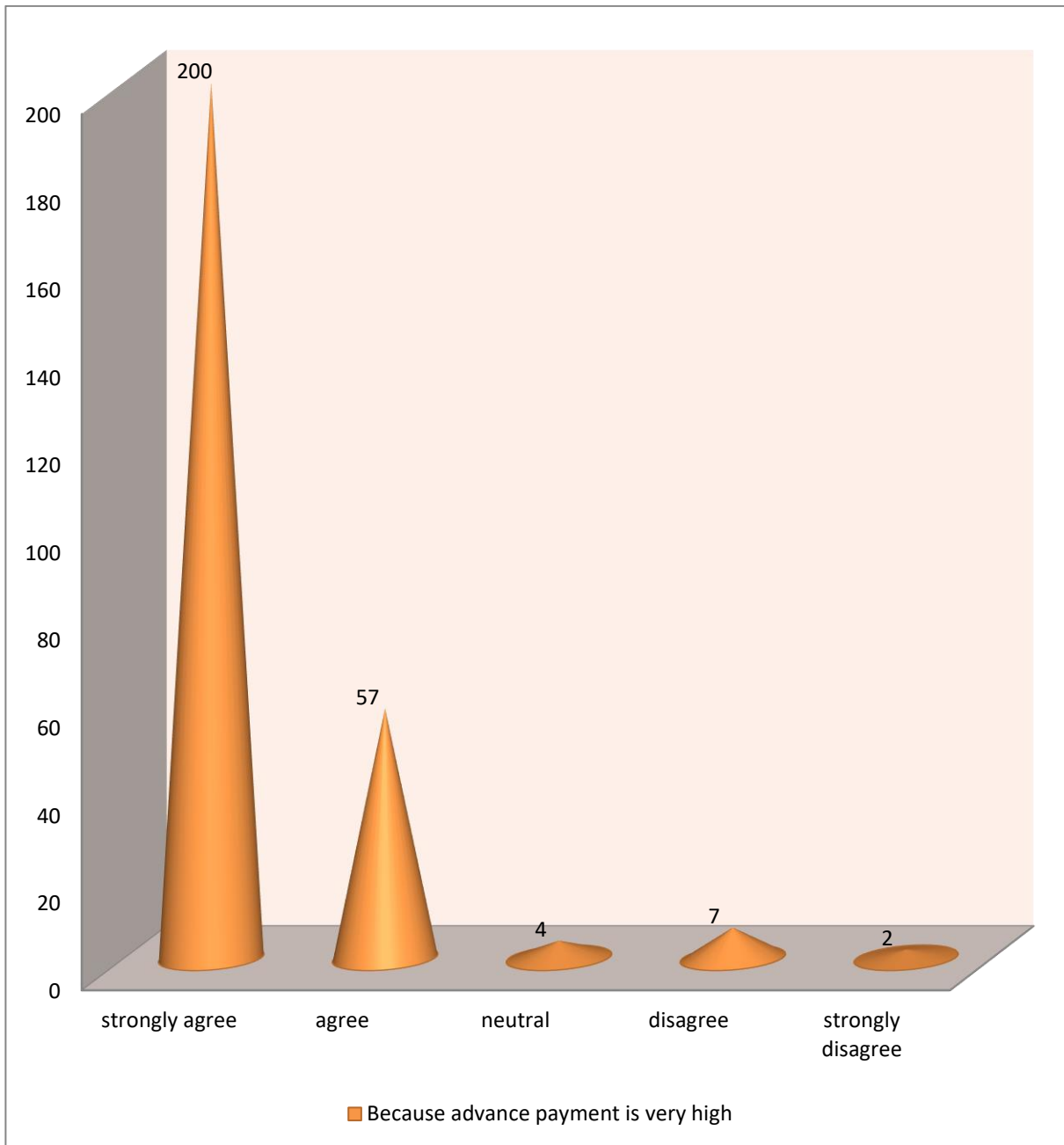


Figure 4.4 Distribution of advance payment (Source: Field survey, 2017)

As shown in the above figure 4.4 from those participant that said condominium houses not affordable, 257 (95%) of them decided on the advance payment of the condominium are costly and not handy for middle and lower income class. Only five (1.4 %) of them are neutral

and the remaining two (0.6 %) of them believe that the advance payment is fair and affordable. Therefore interest payment is too expensive for target group

Interest payment

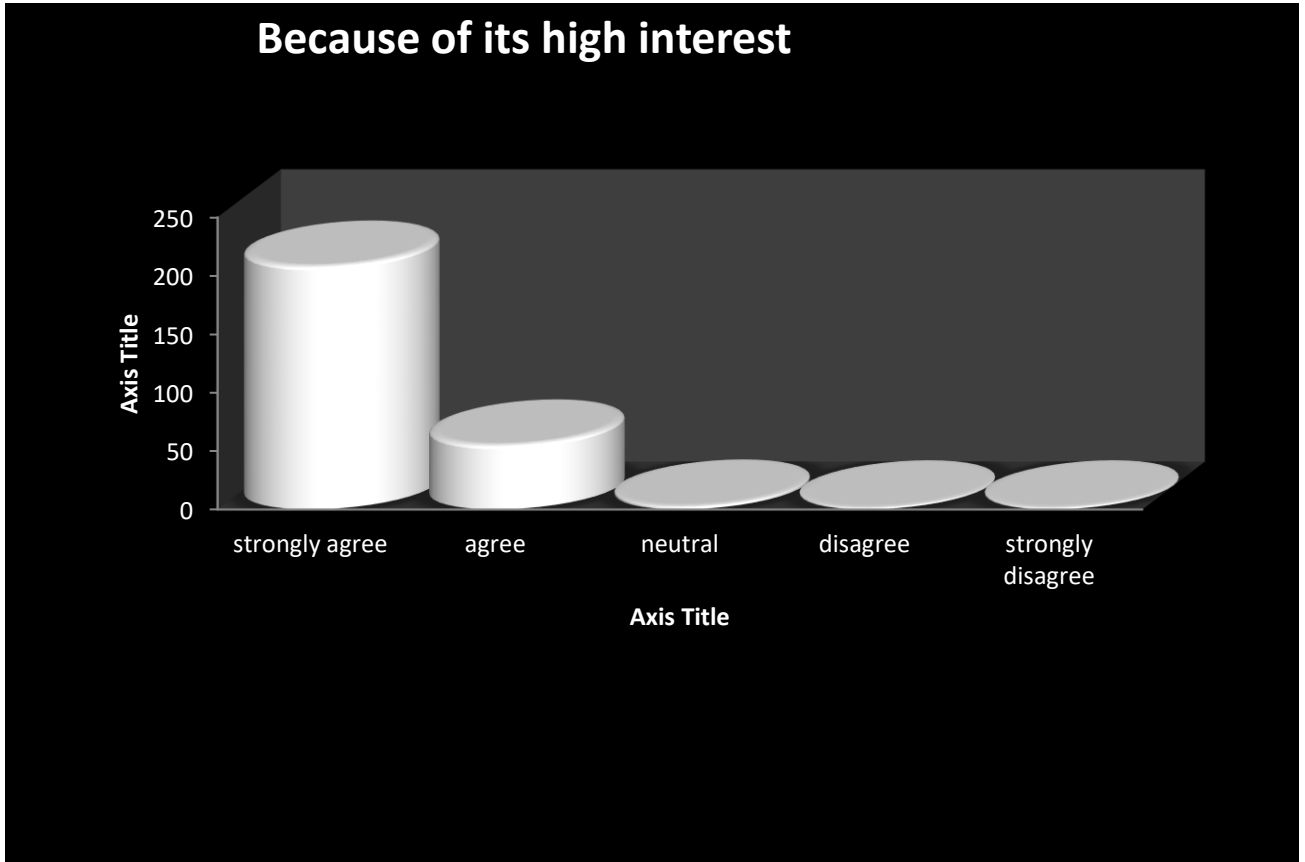


Figure 4.5 Distribution of Interest payment (Source: Field survey, 2017)

As shown in figure 4.5, from those of respondents that said condominium houses are not affordable 263 or 97.41 % of them agreed on that, the interest of the condominium debt is very high and difficult for targeted social class. Three (1.1 %) of them are neutral in this opinion and the remaining four (1.48 %) of them presume that interest is affordable, but they are very few in number relative to the total population.

Table 4.17 Information collected from CBE

Typology	(a)average Housing cost	(b) Pay Back Period	(c)average Advance Payment	(d)average Monthly Loan Payment	(e)average additional repairing and finishing cost	(f)Total average Cost of the house after 15 or 20 years (b*12*d)+c	(g)Interest payment (f-c-a)
Studio	70,467.54	20	14,092.51	578.21	25,000.00	177,862.1	82,395.37
One bed room	189,605.70	20	37,921.14	1555.77	45,000.00	456,305.94	221,700.24
Two bed room	369,557.58	15	73,911.46	3402.29	75,000.00	1,169,598.46	725,040.88
Three bed room	427,089.02	15	85,417.80	5001.01	110,000.00	1,695,720.80	1,158,631.78

Source: Information collected from CBE *Notice- column (e) found from open ended questionnaire

According to CBE regulation, the bank collects 9.5% interest per year from each household’s beneficiaries. To compare each typology costs look at the above table 4.17.

Additional finishing cost

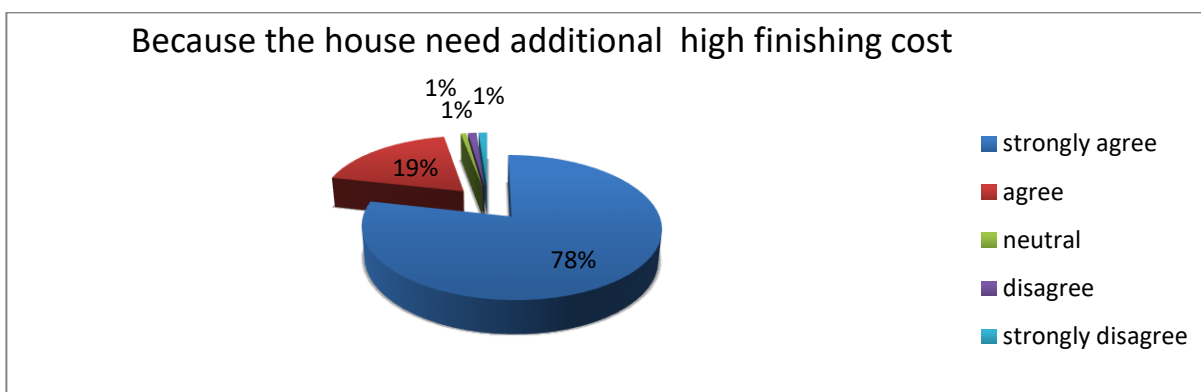


Figure 4.6 Distribution respondents due to additional needed finishing cost (Source: Field survey, 2017)

The condominium lottery winner paid for all type of the house cost but it needs additional finishing work that forced the beneficiaries to incur inappropriate cost. As shown in figure

4.6. From those respondents that said condominium houses are not affordable 262(97 %) of them were forced to incur other additional costs especially to repair or to replace proper equipment on door, window and sanitary equipments and other material and labor costs.

The costs incurred by the household after the house received

When the house handover took place the household agreed as if all work had completed and all housing requirement mention at the paper fulfilled. But on the ground the fact is different. The houses need additional maintenance and construction to give the actual housing service. Most of the household incurred costs because the following need additional

- Internal doors and the outer door locks not fixed and windows are not properly done
- Bath rooms and toilet not properly assembled
- painting and other finishing works
- Terrazzo staircase tread and windowsills are poor quality and are broken at edges before being handed over to households.
- Terrazzo floor finish is very poor quality both in production and workmanship
- Poor fixing and joint filling of agro stone partition.

Even if depend on the capacity of the households the cost incurred for repairing of the condominium houses are different, all of them are invested certain amount of capital for repairing the newly accepted houses. Under the study some respondent told us they are forced to sell their properties like TV, fridge, sofa etc to repairs and fix the houses.

- I. For studio the house hold incurred cost in range of 2000 up to 40,000 birr or in average in average 25,000.00 is invested

- II. For one bed houses the house hold incurred cost in range of 15,000.00 up to 120,000 Birr or s on average 45,000.00 birr invested for maintenance and repair of the newly accepted houses.
- III. For two bed room the house hold incurred cost in range of 30,000.00 up to 180,000 Birr or s on average 75,000.00 Birr invested
- IV. For three bed room the house hold incurred cost in range of 45 ,000 up to 250,000 Birr on average 110,000.00 birr invested

Due to shortage of Grace period

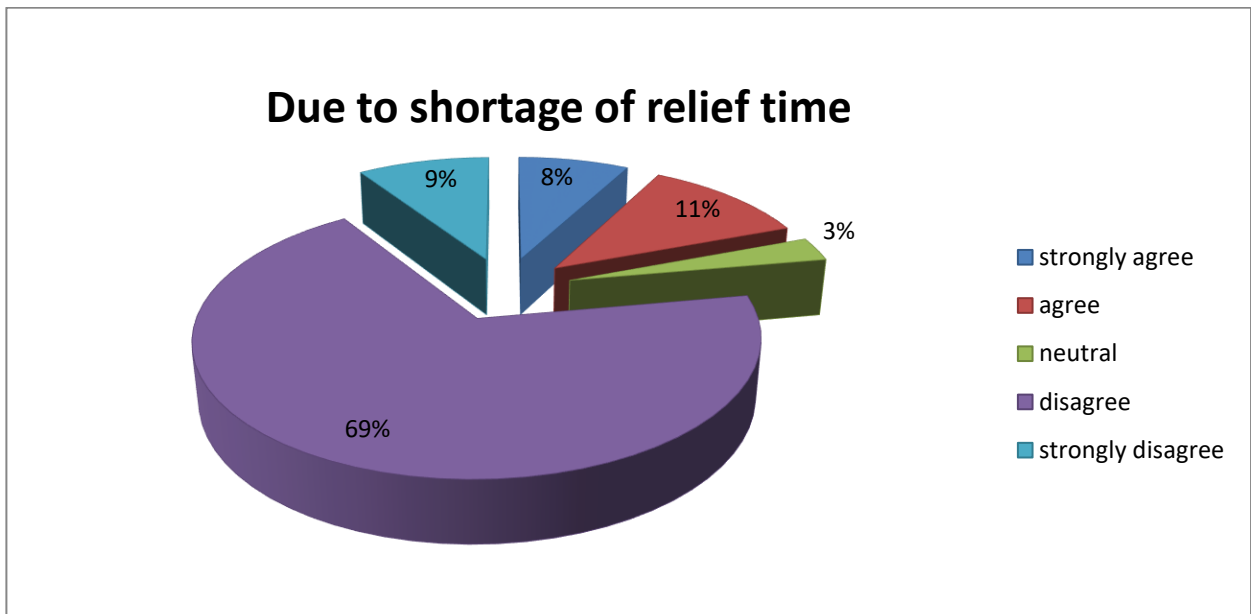


Figure 4.7 Distribution of respondent on relief time (Source: Field survey, 2017)

As reveals on the above figure 4.7 from the total 270 respondents only 52(20%) of them said the diminutive of the relief time made the condominium houses unaffordable. Eight (3 %) of them are neutral in this point. But most of the respondent mean 210(79 %) of them refuses the reason that the relief time too short to get time for payback of the debt. Instead they are

grumbling due to its repeated and highly accumulated interest before houses render any service to them.

But as Ato Kidane director consumer loan, replied , no one paid superimposed interest, the CBE provide one year grace period for the condominium winners to get sort of relief from over lapping costs like advance payment, finishing cost and so on . But the interest that accumulated in this year will be distributed to the next 20 or 15 installment period depend on the typology of the house the consumers posses.

Delay of house delivery date after the contractual agreement took place

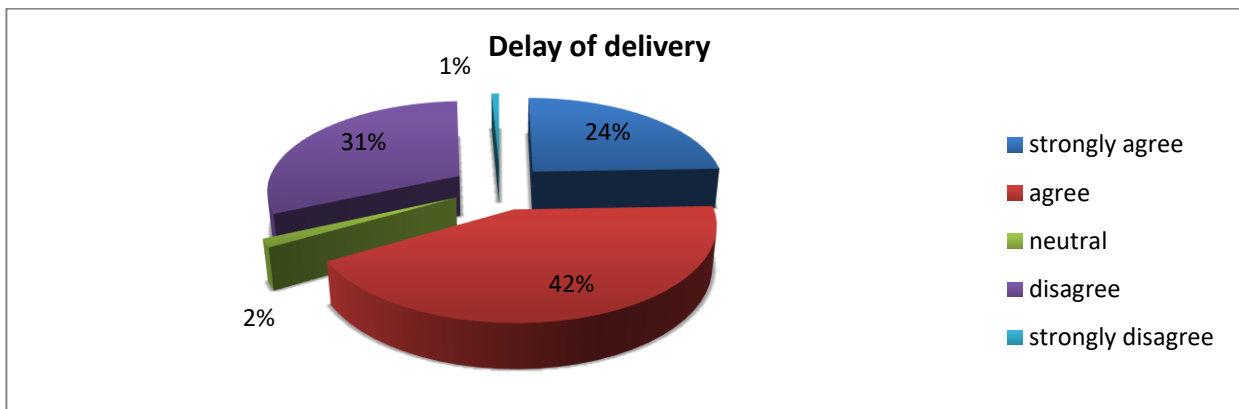


Figure 4.8 Distribution of response on delay of delivery date (Source: Field survey, 2017)

From the total participant (66.67 %) of them agreed that delay of house transfer date after all payment took place compel the lottery winner for economic crises and made the house unaffordable to deserved society. From total sample group four (1.5 %) of them are neutral in this point the left over 86(31.9 %) respondents believe that delay of transfer date induce affordability problem for the target class.

The AAHCPO managers also agreed with this idea and they forwarded the reasons as follows. Currently the condominium houses are constructed at the periphery of the city that lacks

infrastructure used to provide utility enforced to increase the cost of construction. Over and above lack of skills of contractors, consultants, ineffective material delivery systems, unproductive preparation of bill of quantity and the incompetence of the consultant company control mechanism is also reason for delay.

The construction capacity of AAHCPO in public mind

The city government of Addis Ababa gives much emphasis for the condominium program due to its multidimensional purpose and impact. As Ato Haregot said the AAHCPO has increased its performance and currently it reached to construct 50,000.00 houses per year (Addis Bet, March 2017). But according to this study, people’s opinion on the government potential towards constructing and transferring condos to eligible dwellers are deteriorating.

Table 4.18 Confidence on government related to providing houses to all enlisted households

Do you believe in government can construct houses for all the registered citizens	Frequency	Percent
Strongly believe	9	3.33
Believe	15	5.56
not believe	83	30.74
strongly not believe	162	60.37
Total	270	100

Source: field survey, 2017

As the above table 4.18 indicates, from the total respondent 146 (91%) of say they doubt strongly the government performance towards constructing and transferring the houses in a given time frame according to its plan. Only (9%) of the respondent have confident on the government related to these questions. Respondents forward their opinion on the open ended questions regarding to this idea as follows, some sudden political decision to transfer the

condominium houses for non registered residents are not reasonable and responsible. They believe that, it not considered the enlisted household housing problem. Generally through time household’s confidence on the government towards condominium construction capacity and performance is deteriorating.

Reasons of delay of condominium houses

The purpose of this paper is not to identify factors that delayed the condominium houses. But delay is one of the main factors that escalate the cost of the houses. So identifying the delay factor and avoiding them, means minimizing the cost of the house and addressing the target community. So let us see people’s opinion related to these possible reasons.

Lack of project management knowledge & experience

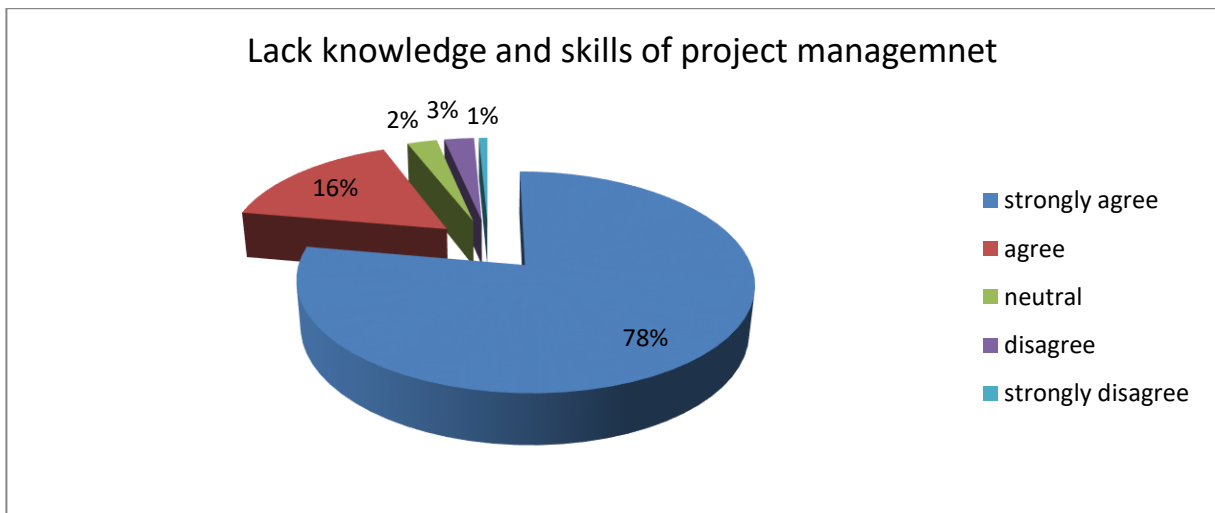


Figure 4.9 Lack of project management knowledge & experience

(Source: Field survey, 2017)

As shown in figure 4.9 above from the total respondent 254(94%) of them have the same opinion on this point .They believe that, there is lack of project management knowledge and

skills around the construction area. Seven (2.6%) of them prefer to be neutral. The remaining nine (3.3 %) of them do not agree on this view.

Organizational structure of AAHCPO

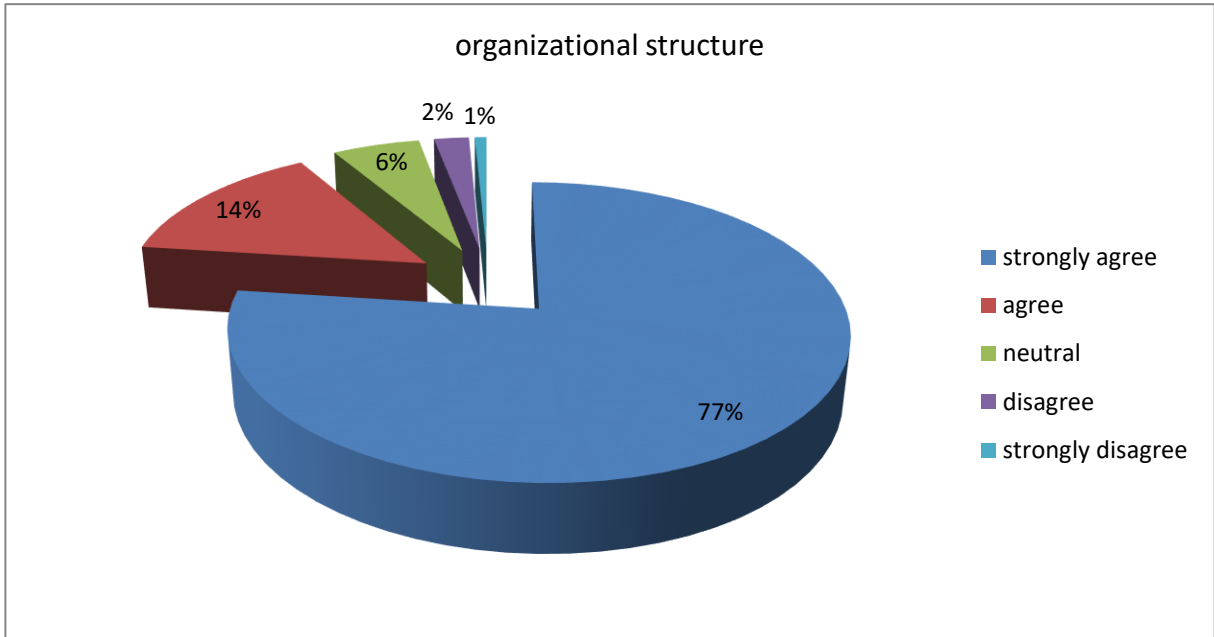


Figure 4.10 Organizational structure of AAHCPO (Source: Field survey, 2017)

From figure 4.10 we recognized that from the total respondent 247(91.5%) of them agree with the opinion that AAHCPO has organizational problem. That is why it exposed to such type of clutter that happened in condominium houses. 15 (5.6 %) of them prefer to say nothing on this point. Nine (3 %) of them disagree on this opinion. Ato Haregot the principal manager of AAHCPO also agreed on this point and forward his belief as follows, "Because the office cannot sustain in this pace, there is need of another structural adjustment. So in year 2017/18 the office will be organized in manner of corporation with in that nature it can solve many of the construction problems and might attain the anticipated goal."

Corruption

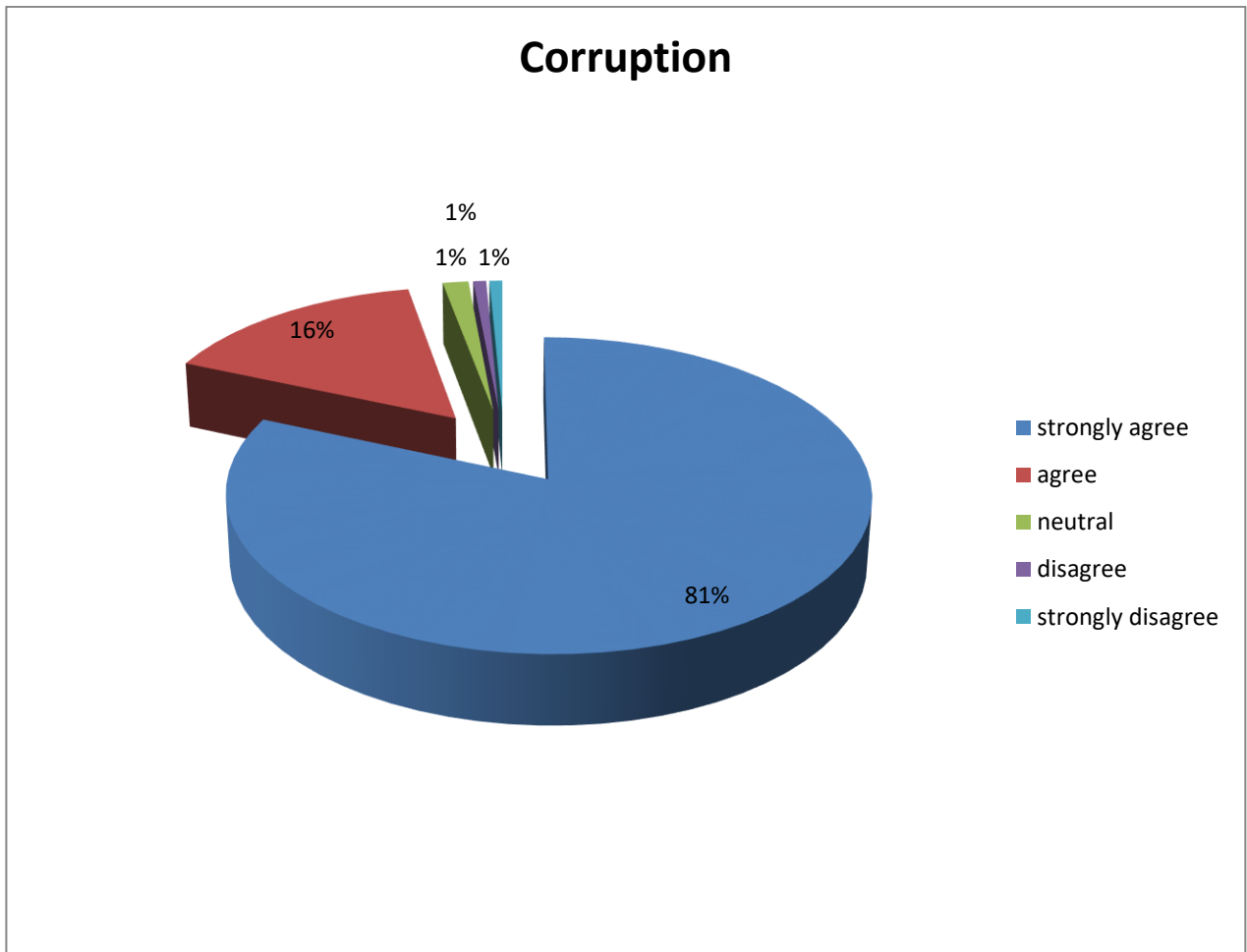


Figure 4.11 Distribution of respondent response towards corruption
(Source: Field survey, 2017)

Currently corruption is most well-known word in this country. As a sector construction has high exposure to the corruption rather than others. The study also strengthens this saying as follows. Out of the total respondent 95% of them say, corruption is one of reason for delay of condominium houses. The other four (1.5 %) of them prefers to be neutral in this point. The remaining four (1.5%) of respondent believed that corruption is not reason for delays.

Professional incompetency of the contractor

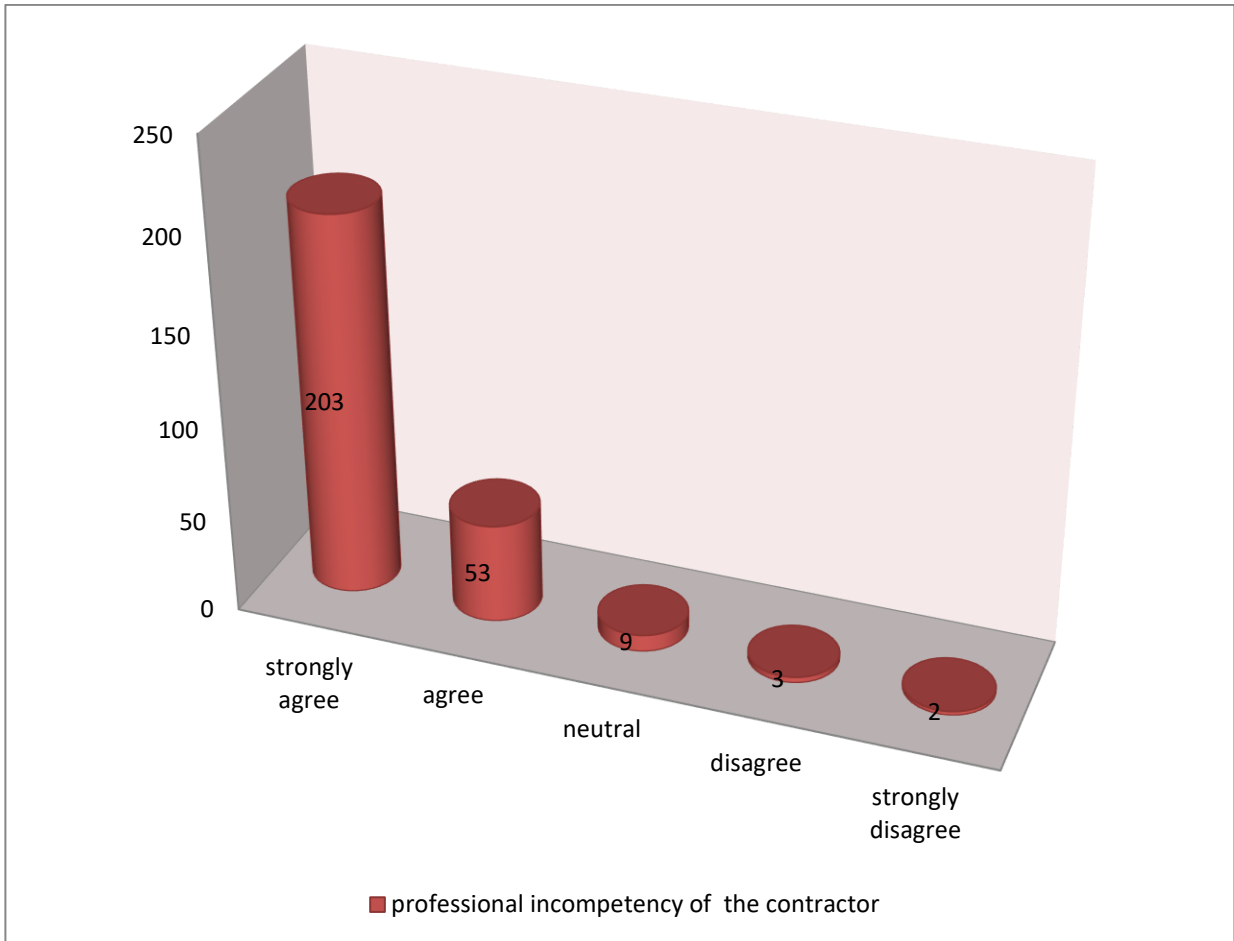


Figure 4.12 Distribution of Professional incompetency of the contractor
(Source: Field survey, 2017)

As shown in figure 4.12 above from the total study group 256 (95 %) of respondent believe that the contractors lack enough skills for construction to finish the given project on due date. So this is one reason for the condominium house construction takes elongated time or tardy. Nine (3.3%) of them prefer to say nothing. The remaining five (1.8 %) of them are not agreed on this opinion. Therefore majority of respondent believe that professional incompetency is other problem that lags condominium construction harshly and made the project ineffective in terms of cost, quality and time.

The procurement process

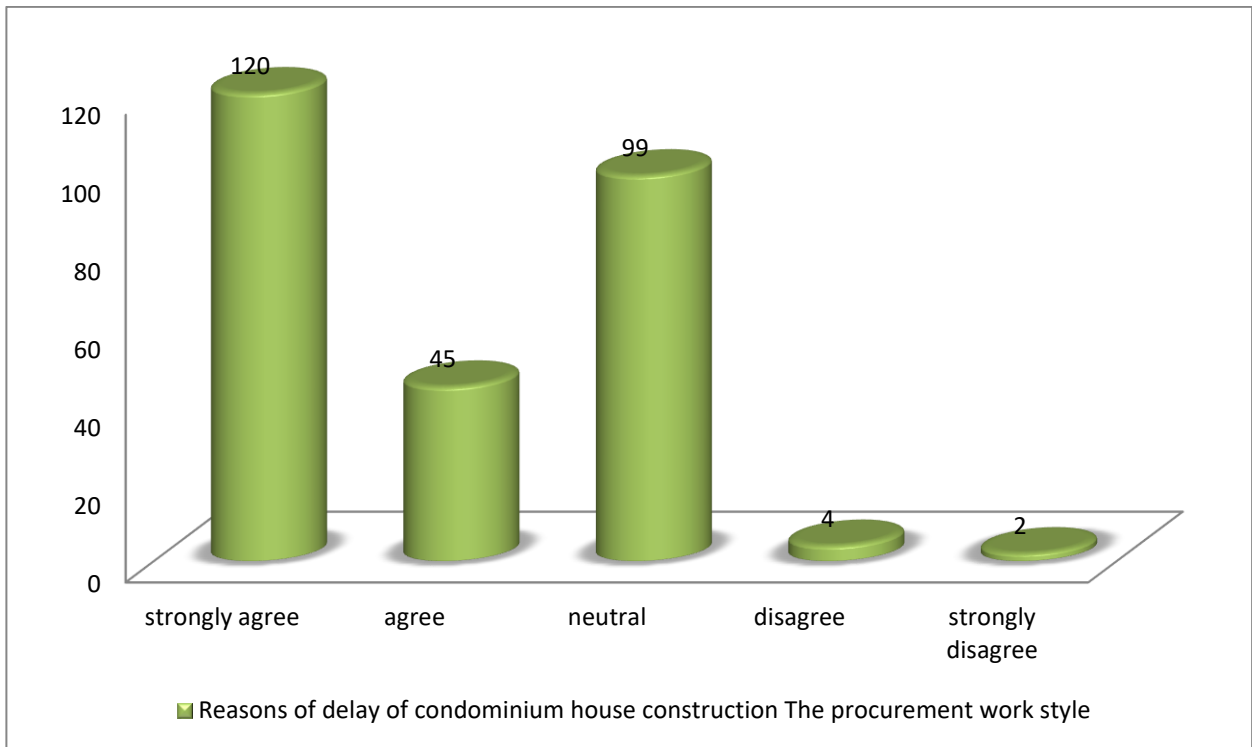


Figure 4.13 Distribution responses on the of the procurement process
(Source: Field survey, 2017)

Creating efficient and effective procurement system is very crucial activity for such type of time bounded and scheduled activity. In condominium construction process there is huge mobilization of material resources but still expeditious procurement processes not yet existed as required. According to participant opinion out of the total respondent, 165(61.1%) of them say that the procurement process is greatly extended and the necessarily input material is not delivered timely. Clearly this process has negative impact on the speed of the condominium house construction process. 99 (36.7%) of them prefer to say nothing on it. Only six (2.2 %) say the procurement process has not any impact on delay of the condominium houses (see figure4.12).

Lack of commitment of managers

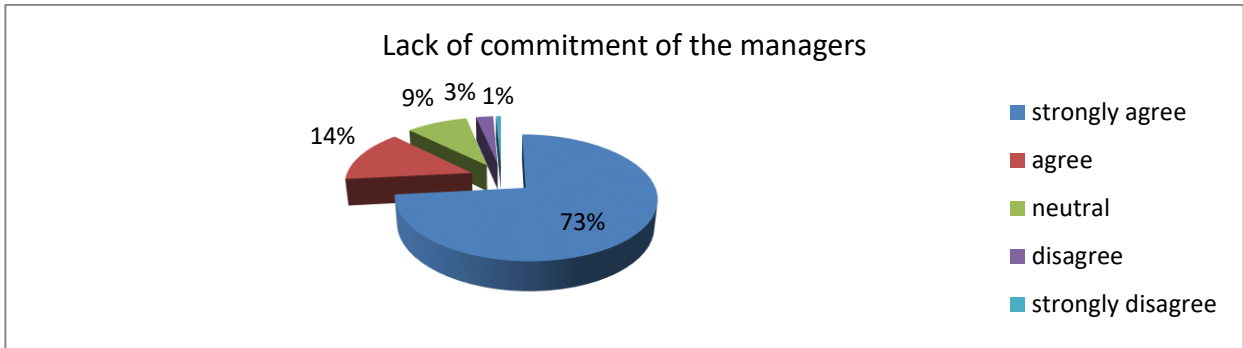


Figure 4.14 Distribution responses on lack of commitment of managers

(Source: Field survey, 2017)

Managerial commitment is one of the basic inputs to achieve organizational goals. Especially in project area this input is very deceive tools. Considering this fact let us see the public opinion as shown in table 4.18 above. 236 (87 %) of respondent believe that in condominium project sites there is obvious lack of managerial commitment .So it is another reason for delay of condominium house. 25(9.3 %) of them prefer to be neutral. The rest 9(3.3 %) believe that there is no managerial commitment problem in AAHCPO that lag the process backwardly.

The inefficiency of micro and small enterprise

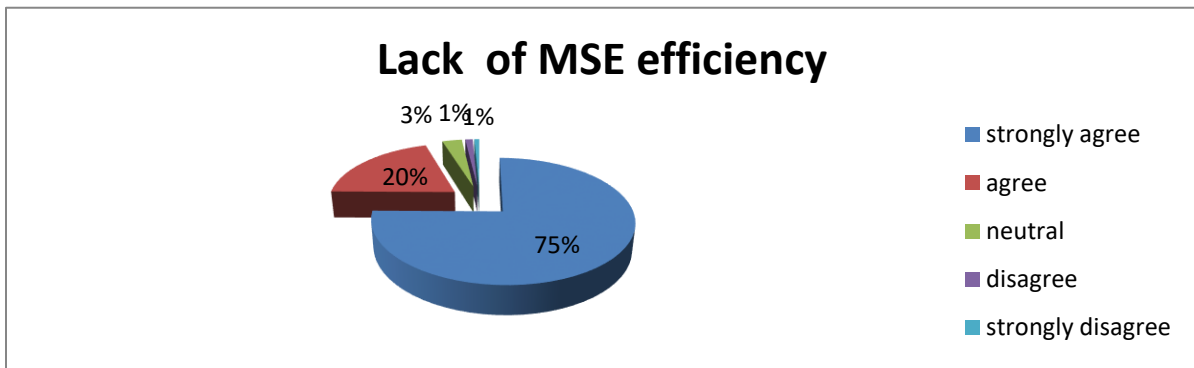


Figure 4.15 Distribution responses on the inefficiency of micro and small enterprise

(Source: Field survey, 2017)

Micro and small enterprises are participate in the condominium construction program as a sub contractor ,as a supplier that provide basic input of the building like ditch , precast, terrazzo etc. In each condominium blocks (40 %) of the construction portion is covered by them .So there efficiency is very vital in speed and quality of the construction. However the study shows that the MSE also have their own contribution on delay of the cost of construction process and the poor performance project office. From the total of participant 25 (95 %) of them believe that the inefficiency of SME that involved in the construction process has negative effect on speed of the construction process. Only 8(3 %) prefer to be neutral the other (2 %) say MSE have no effect on delay of the condominium construction. Generally majority of respondent favored the opinion that lack of efficiency of the MSE has great contribution not only in delay but also in quality. It is better the government to select MSE based on their ability and performance and also there must be special construction law that make accountable for all their wrong act.

Professional incompetency of the consultant

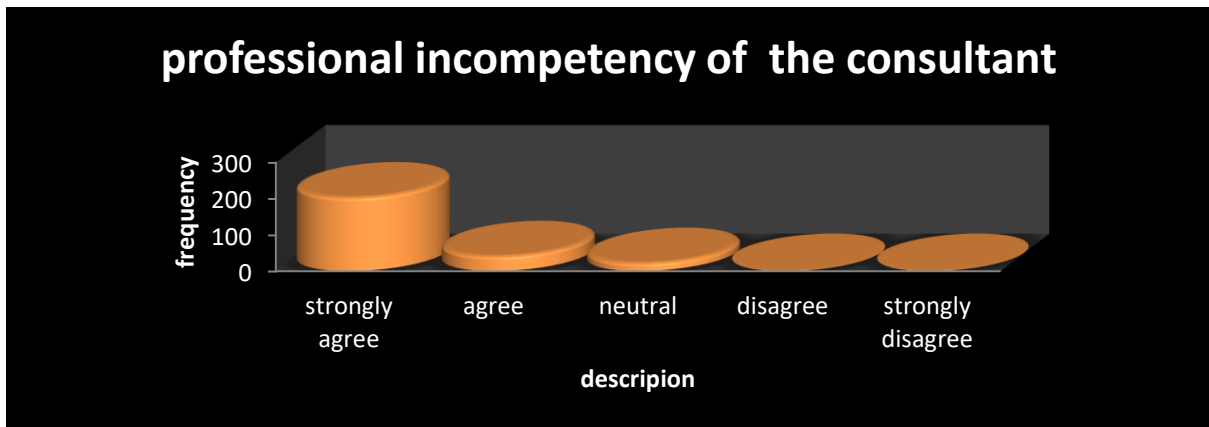


Figure 4.16 Distribution response on Professional incompetency of the consultant (Source: Field survey, 2017)

Frequent design and standard change, less quality of construction process and construction material are highly related to the inefficiency of the consultant. To come across in this point, the data shows that 244(90.37%) of them say there is inefficiency of consultant in the condominium construction. Two (8.15%) prefer to say nothing. Four (1.48%) refuses this opinion (see figure 4.16). Generally majority of respondent agreed on the inefficiency of the consultant for construction to be delayed which rise the cost of the construction that brings about major challenges un affordability of purchasing condominium houses by target community

Shortage of construction Budget

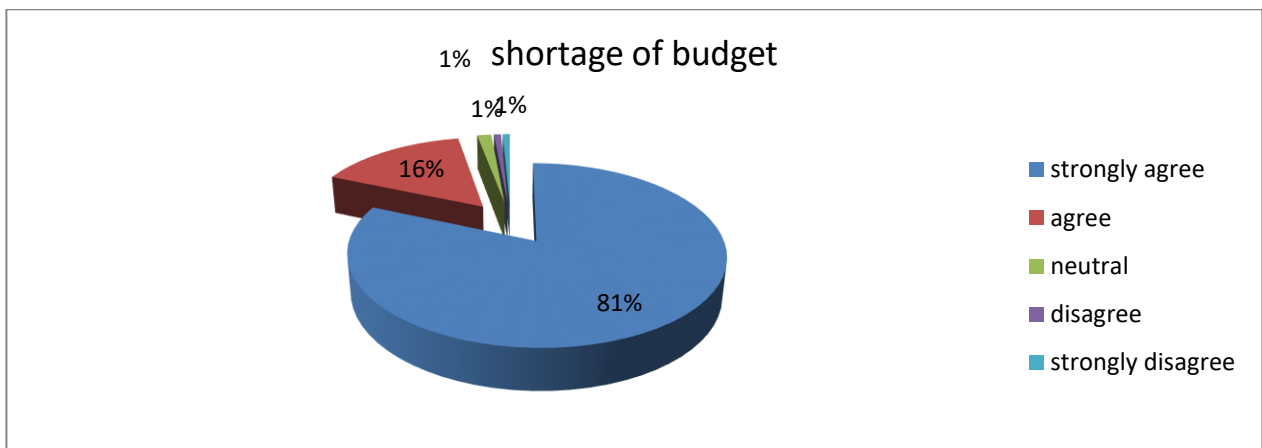


Figure 4.17 Distribution responses on **Shortage of construction Budget**
(Source: Field survey, 2017)

One of the great constraints of the construction is shortage of budget. It is oblivious if there is no enough budgets any way to ahead the project. 262 (98 %) of respondent say there shortage of construction budget here in condominium houses. Four (1.5%) respondents prefer to be neutral. The remaining two (0.75%) believe that no budget problem in AAHCPO. Generally majority of respondent belief that because of shortage of budget the construction process is

interrupted, the cost raised and the house is become un affordable to low and middle income groups.

4.3 Opportunities of the Condominium Program

When the government decided to construct the condominium houses in such grand level besides the main goal of alleviating the housing problem of the city, there are also other related agendas like creating job opportunity, creating new and upgrading the existed domestic construction professionals and by demolishing the slum part of the city replacing with new, modern and suitable buildings and infrastructure. So let us see the achievement of the program from respondent point of view.

Where did they live before they become the winner?

The condominium houses provide a lot of opportunity for the residents one of them is provided house for who had not.

Table 4.19 Distribution of the previous home where they live

The previous place where you lived	Frequency	Percent
In family house	20	7.41
In rented house	180	66.67
In kebele house	70	25.93
Total	270	100

Source: field survey, 2017

As shown table 4.20 from the total respondent (66.7 %) of the study group was live in private rented house. So this data show that the condominium is alleviating the housing problem of eligible group .These people are now becomes house owner.

Previous Housing Cost of the Beneficiaries

In accordance with the collected data, out the total respondent 70(26 %) of study group, they have been paid below 100 Birr, since they were live in kebele houses. The other 20 (7.4%) of the respondent were pay birr 601 up to 1000, the other 98(36.3%) of the study group had been paid within range of 1001 to 1500. 61(22.59 %) of respondents had been paid 1501 up to 2500 birr/month. The remaining 15 respondents (5.6 %) of them had been paid above 2501 Birr per month. Therefore the monthly pay back of condominium houses is pricier than kebele and private house costs.

Table 4.20 Distribution of Previous Housing Cost of the Beneficiaries

How much was your previous housing cost	Frequency	Percent
Below 100	76	28.15
601-1000	20	7.41
1001-1500	98	36.30
1501 -2500 Br	61	22.59
above 2501	15	5.56
Total	270	100

Source: field survey, 2017

Economical benefit of the beneficiaries

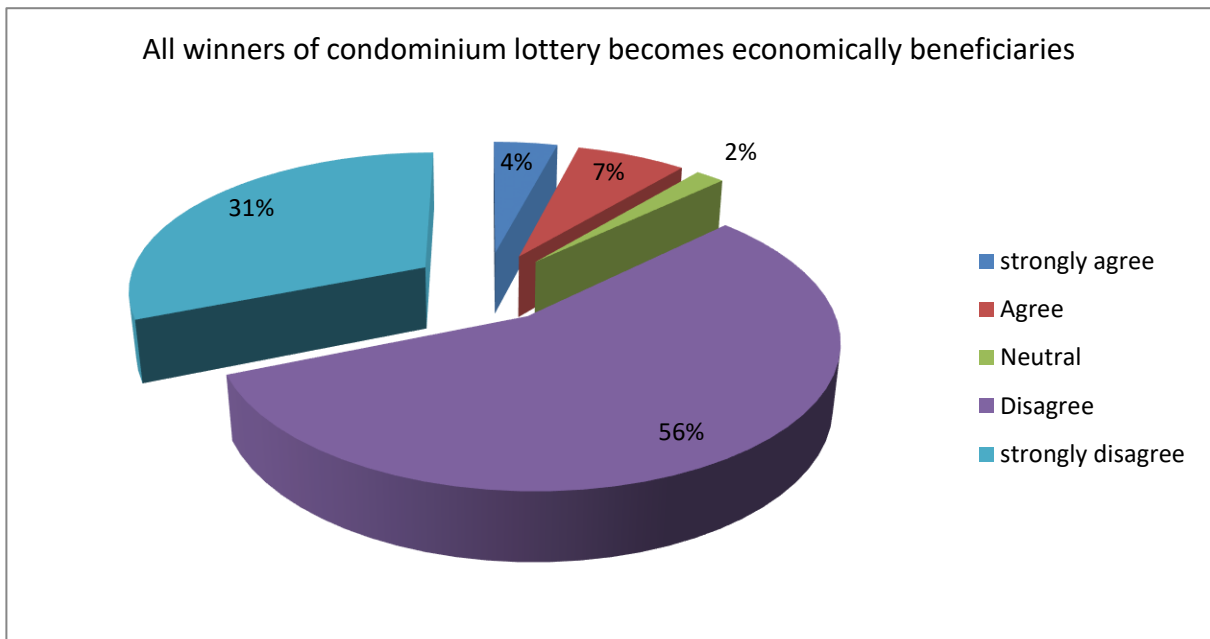


Figure 4.18 Distribution response on Economical benefit of the beneficiaries

(Source: Field survey, 2017)

One of the of the advantage condominium house that spoken widely is its economic benefit. It is assumed that many of the dwellers became beneficiaries by renting the condominium houses. But at Tuludimtu site it is not workable assumption for all of beneficiaries' .This is due to inefficient infrastructure, lack of affordable transportation and the remoteness of the site from the down town and the monthly debt payment is very expensive related to the previous round house transferring cost so on. From 270 respondent only 30(11 %) of them agreed on the opinion. 5(1.85 %) of them are neutral in this opinion. The rest 235 or 87.4 % of the respondent not agreed on the opinion that the condominium house brings economic benefit for the winners. Generally most of the respondents' responses that, unlike other nearby sites, there is no direct economic benefit gain here in tuludimtu site.

Creating domestic contractors and consultants

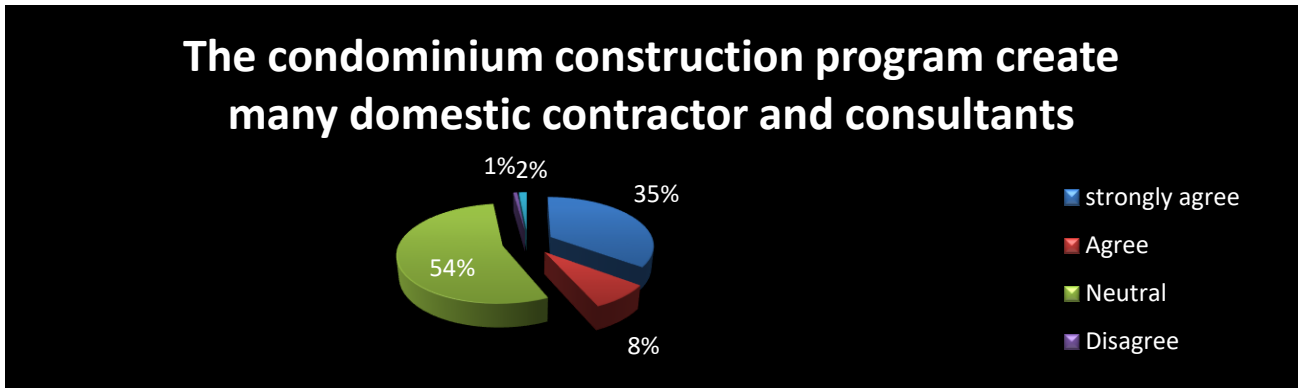


Figure 4.19 Distribution responses on creating domestic contractors consultants (Source: Field survey, 2017)

From 270 participants of the study group 117 respondents believe that the condominium house construction program creates many domestic contractors and consultant. Even if 147 or 54.44% of them keep neutral in this opinion only six or 2.2 % of respondent opposes this point. So the study indicates the program is successful in creating domestic construction organizations.

Bringing new technology and experience

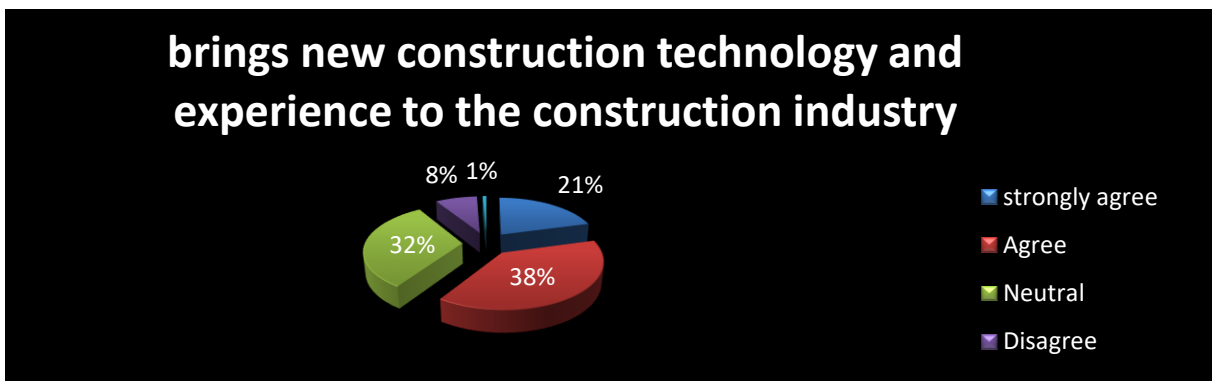


Figure 4.20 Distribution Responses on Bringing new technology and experience (Source: Field survey, 2017)

Out of the total respondents 160 (59.3 %) of them agreed on that the program brings new technology and experience. The other 86 (31.85 %) said nothing and the remaining 24(8.9 %) respondents stands by opposing this opinion (see figure 4.20).

Creating job opportunity for women and youth

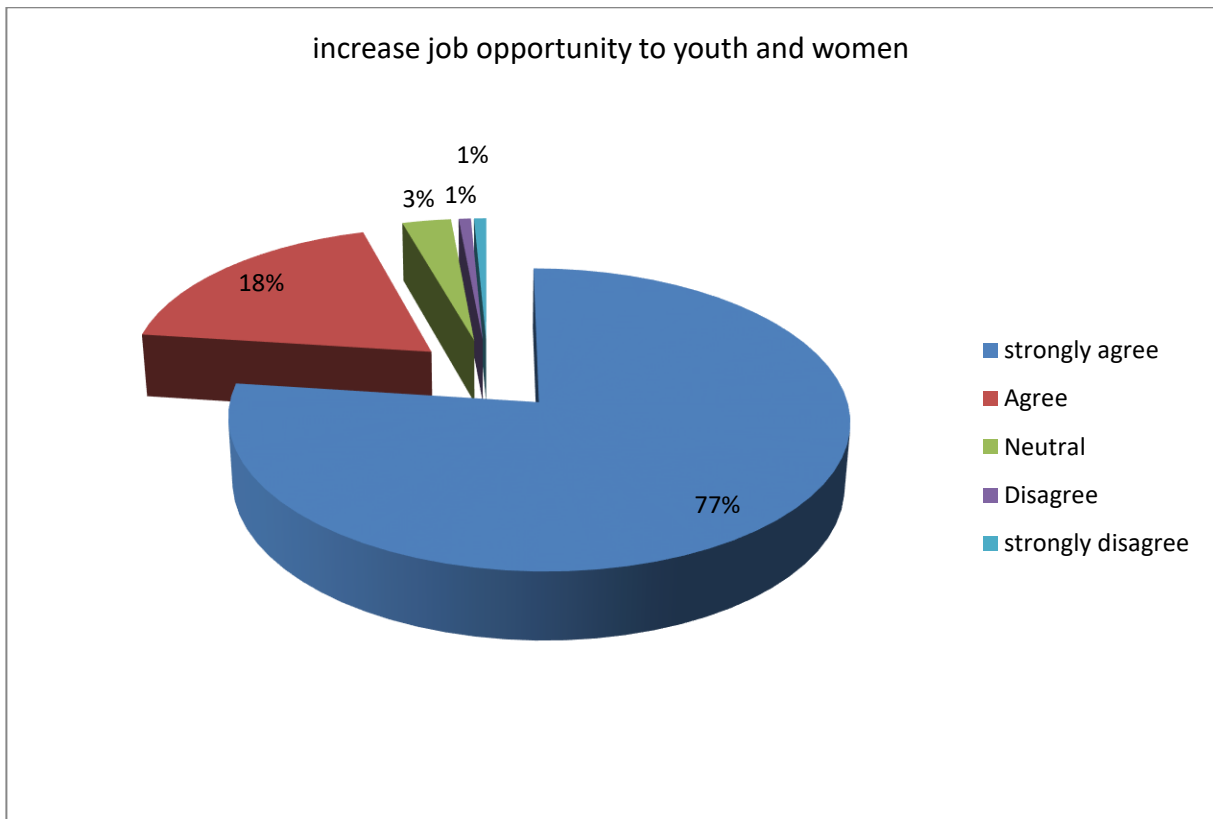


Figure 4.21 Distribution response on creating job opportunity for women and youth (Source: Field survey, 2017)

The condominium program has got great success in creating job opportunity for the citizens specially women and men that participate in micro and small works. This study also indicates that (95.56 %) of respondent agreed on this point. Eight (2.96 %) of them prefer to be neutral. Only two (0.74 %) respondents disagree with this opinion as shown in figure 4.21 below. So the program is fruitful in creating job opportunity.

Create the city modern and suitable

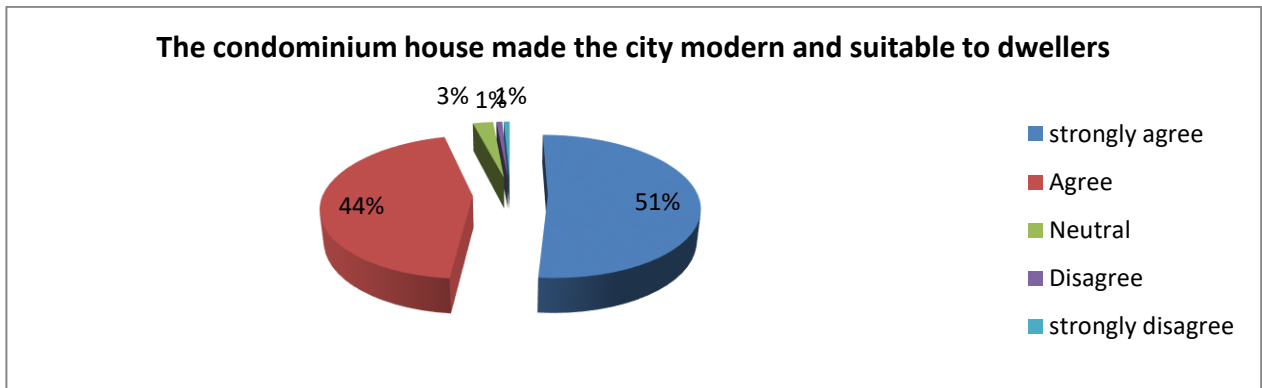


Figure 4.22 Distribution responses on Make the city modern and suitable
(Source: Field survey, 2017)

From the study participant 259(96.3%) of them respond in favor of the program success making the city modern and creating good opportunity for dwellers to lead modern and civilized life (see figure 4.22) . Seven (2.59 %) of them prefer to be neutral. The other four (1.48 %) of them are not agreed on this opinion. Therefore, the constructed condominium houses made the city modern and suitable for domicile.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

- The demographic features of the study show 73% of 10th round condominium program winners are females. Majority of both gender beneficiaries are categorized under the age of the working class and family headed households. Generally the study show that all demographic features of the society are included in Tuludimtu site 10th round condominium houses beneficiaries. So above 70% of the condominium houses are transferred to the target group.
- From the total respondent only 10 % of them paid the down payment from their own saving. But the rest of them paid the down payment with the fund of their nearby friends or relatives. And the others paid by borrowing loan from micro finance initiations. Especially those, who took loan from micro finance institutions and other lenders, are worried seriously. Therefore all these show us the advance payments of the condominium houses are very expensive relative to the target group capacity.
- The study indicates majority of the respondent rented their houses because; they cannot afford the monthly mortgage payment of the condominium houses. So that many of the households sometimes or frequently have been failed to payback their loan. Those who didn't rent their condominium house nearly 100% of their income spent on mortgage payment and related consumption. No extra money is left for other unpredicted situations. Beside this its distance from schools and work place and its insufficient infrastructures costs them too much.

- Majority of respondent said that the condominium houses are not affordable to the poor. Literally they said, "it is constructed for the rich people". If the winners paid down payment with difficulties, undesirable additional costs suffered them a lot.
- People's confidence on the government related to the condominium construction is dreadful. Most of them are not happy with the construction performance. They have doubt that, the condominium construction completed and handover to the enlisted households with in the given time frame.
- The program is successful in creating job opportunity, upgrading the life styles of the city and empowering domestic contractors and consultants. Especially it creates job opportunity for civil servant of AAHCPO, for consultants, for micro and small enterprise, for suppliers, for transporters and laborer. So that from this point of view it had put positive economic impact for the city and the practitioners.
- There is quality problem in condominium houses construction created by contractors and consultants deliberately and with lack of skills. Here also inefficient in put material delivery and high skill gap problem on micro and small enterprises.
- AAHCPO used accrual accounting method but it is hardly to produce reports that show the actual financial performance of the project office. Yet no cost centers provided the real cost of each block of condominium houses accurately.
- When the cost of the condominium houses transfer price is determined by the cost estimated committee, the demolishing and reconstruction expenditures of offices, stores, guard houses etc are included on the cost of the condominium block. But it is not fair; these costs must be covered by the body that made these mistakes or the government. Definitely it is not the cost of the beneficiaries.

5.2 Conclusion

To evaluate the affordability of the condominium houses or the overall performance AAHDP, it is better to assess the performance of the project office based on the four important approach of the program that considered by IHDP. First the program is a large-scale approach that needed to provide the housing for nearly a million waiting lists of the households within reasonable time. For instance to address the enlisted dwellers within 10 years ,the AAHCPO has to construct 100,000 houses per year ,or to address the condominium houses from 18 to 20 years AAHCPO has to construct 50,000 houses per year. But because of weak performance of the AAHCPO all houses that started construction from year 2014 are not completed and transferred to beneficiaries (communication affaires work process, 2017). So unless the government or the project office make a sort of dramatic change in its performance and organizational structure that accelerate the condominium construction process the main objective will not be achieved as expected.

Secondly Special feature of this program, the pro poor intention, that aimed to change the life of poor by providing low cost and standardized house, and then to access modern infrastructures, improved housing situations and so on are in danger due to poor performance of the office, even if some part of the city is reconstructed and replaced by modern villages. Still slum areas are exit such as in Kirkos, Akaki Kaliti , Kolfe Sub Cities the city.

Thirdly the program highlights government and local authority commitment to address affordable house for the low-income level of the population. But the price of the house, down payment, its monthly debt financing, its high interest and additional repairing cost burdens are

shouldered on the condominium beneficiaries in contrary to its principal objective. Therefore, it is critical point for the project office or the government to evaluate its achievements from the intended overall goal.

Lastly the program recognizes the opportunity for housing to stimulate the economy, create employment, and improve the capacity of the construction and financial sectors. The study shows that the project office has got remarkable achievements in these intent goals.

5.3 Recommendations

Based on the research finding and conclusion the following recommendations are forwarded: The achievement of this multipurpose project is crucial to the overall development of the city. So to make the condominium houses affordable to target community, the inappropriate cost of construction that goes to the households must not be included in the cost of the building. Like cost of rebuilding of the demolished office, stores, guard house, which destructed due to road construction, the cost of material that obsolete due to design change and so on. The other unfair act of estimating the price of the condominium house by assigned committee without actual financial report is not convenient and reasonable for both the household and the government. So the project office needed to have its own accounting software designed based on special attribute of the project office by working with financial and software developing consulting firms.

One of the main reasons that increase the cost of the condominium houses is delay of construction. So to decrease delay of the construction and its consequence of increasing cost of construction that happens due to the prolonged process; Before the commencement of

any housing project, a joint site survey must be made by the consultants and the AAHCPO supervision team, to check the actual performance of the project in accordance to contract agent whether the designer consider the actual topography into consideration. This will help in adjusting the project budget from the very beginning and avoiding additional cost incurred due to delay of construction to get decision on such matters. All structural and architectural design must be completed before construction started to save construction from unnecessary cost of consultancy and other overhead costs.

Material procurement process should be executed properly by improving procurement process in order to avoid supply delays. This research proposes two courses of actions to implement: Firstly as much as possible all the condominium construction should use domestic construction products. Secondly in order to get the right quality, the right amount and reasonable cost in construction material, after all the needed material and standards are known and approved by liable bodies and professionals, then it is better to order producer instead of supplier.

Adequate and undistorted budget should be allocated before the construction start and adequate contingency allowance also needed in order to cover increase in material cost due to inflation, by coordinating with CBE.

It is difficult for the government to construct the remaining houses with in the given time frame, so it is better to invite other international or domestic contractors or consultants that are willing to work jointly with the governments. In this way, the office can handover the houses timely for eligible households. Beside this providing land for saving associations

reduces the government burden and create opportunity for members of the association to build their own houses in group.

Improving the construction capacity of the project office is also very important duty of the government; AAHCPO needs to put much effort in improving the construction technology and its management by creating opportunities for new ideas and innovations which makes the projects more cost effective. This will be achieved by a joint effort with professionals in other sectors (other stake holds) through researches and panel discussions. Empowering the consultants, the branch officers and decentralizing the decision mechanism is more important task in such huge and very complex project. .There is need to improve the work methodology by drafting a very well detailed method of statement for each work items on how the necessary construction steps are to be followed as a common standard by all parties of the project. This should progressively have to be up dated depending on the actual site situation.

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Appendices

Appendix A: Questionnaire Prepared For Condominium Lottery Winner

Dear respondents the purpose of this survey questionnaire is to gather information about the affordability of condominium houses for the low and middle income families as requirement for the partial fulfillment of master degree in construction management from Addis Ababa Science and Technology University. Your accurate response to survey question is vital to complete these. Your response to the survey will remain confidential, and be used for academic purpose only. So if you need additional information Please don't hesitate to contact me with the following addresses.

Sincerely

Phone number : 0911-91-45-99

email : endalemok99@gmail.com.

Put this sign() in front of your answer

1. Gender Male Female
2. Age
18-25 26-35 36-45 46-55 above 55
3. Educational back ground
Illiterate below grade 8 Grade 9-12
Diploma /level1-4 Degree and above
4. Marital status
Married single divorced widow/er others
5. Number of family
1-4 4-6 above 7

6. Monthly income 500-1500 1501-3500 3501- 6500
 6501- 8500 8501 – 10000 above 10000
7. Employment status
 Government Employee Private Employee
 Self Employee NGO Employee
8. How do you owned the condominium houses?
 I'm Lottery winner I bought Inherited Others
9. What type of typology has your condominium house?
 Studio One Bed Room Two Bed Room Three Bed Room
10. How do you pay advance payment of the house?
 From My Own Saving From Micro Finance Loan From Family others
11. If you pay down payment from micro finance institutions loan, how much is your monthly payment with interest?
 500-1500 1501-2500 2501- 3500 3501- 5000
12. If you are bought through bank loan, how much will be your monthly loan payment with interest?
 500-1500 1501-2500 2501- 3500 3501- 4750
13. Did you fail in settle of your monthly loan payment?
 Never Sometimes Frequently
14. if you failed ,when you pay your monthly loan, what is the reason behind it? Because
 The loans are over lap each other
 Sometimes I face shortage of money
 Frequently I face shortage of money
15. Have you rented to someone or you are living in the condominium house?
 I live in my condominium house I rented to someone

16. If you have rented your house, what is your reason? Put this sign on your answer

No	Reasons To Rent The House	Yes	No
16.1	To pay monthly payments		
16.2	Far from the work place and schools		
16.3	Lack of infrastructures		
16.4	I have another better alternative		

17. In addition to monthly condominium loan payment, what percent of your income is spent for food and related expenses from your monthly income?

From 25-50 % From 51- 75% From 76 -95 % From 96-100%

18. Where had you been before you got condominium house?

In family house In rented house In kebele house

19. If you were previously live in rented house, how much been you paid?

Below 1000 1001-2500 Br 2501 -3500 Br
3501 - 4500 Br above 4501

20. In your opinion do you believe that the city government construct and transfer condominium houses to the enlisted dwells according to its plan within time frame?

Strongly believe I believe not believe strongly not believe

21. Do you agree that price of condominium house is affordable to low and middle income residents?

rongly agree Agree disagree strongly disagree

22. If your answer disagree or strongly disagree for question 21, what will be your reason? Put this sign on your answer

23. Program Related Questions

N.O	The outcome of the condominium program	Strongly Agree	Agree	Disagree	Neutral	Strongly Disagree
23.1	All winners of condominium lottery becomes economically beneficiaries					
23.2	The condominium construction program create domestic contractor and consultants					
23.3	The condominium construction program brings new construction technology and					

	experience to the construction industry					
23.4	The condominium program increase job opportunity to youth and women					
23.5	The condominium house made the city modern and suitable to dwells					

24. Reasons for the Delay of Condominium House Questions

		Strongly Agree	Agree	Disagree	Neutral	Strongly Disagree
24.1	Lack of project management knowledge & experience					
24.2	Problem of AAHDPO organizational structure					
24.3	Corruption					
24.4	Lack of commitment of the managers					
24.5	The procurement work style					
24.6	professional incompetency of the contractor					
24.7	Lack of MSE efficiency					
24.8	professional incompetency of the consultant					
24.9	Shortage of budget					

25. What are the unfinished or poor quality works that incur additional costs after you received the condominium houses?

.....

26. How much you incurred for additional expenditure?

.....

27. If you have the idea related to the condominium houses that the government has to improved or additional suggestion about the points mention here in the questionnaire

.....

Thank you



መጠይቅ

ውድ የዚህ ዳሰሳ ጥናት ተሳታፊ የዚህ መጠይቅ ዓላማ በአዲስ አበባ ቤቶች ግንባታ ፕሮጀክት ጽ/ቤት ተገንብተው ለነዋሪው ህዝብ እየተላለፉ ያሉ የጋራ መኖሪያ ቤቶች ፕሮጀክት ጽ/ቤቱ በራዕይ ላይ በግልጽ በአስቀመጠው መሰረት የቤቶቹ የማስተላለፊያ ዋጋ ከዝቅተኛና መካከለኛ ገቢ ከላው የከተማችን ነዋሪ የመከፈል አቅም ጋር የተመጣጠነ ስለመሆኑ መረጃ ለማሰባሰብ የሚደረግ ተግባር ሲሆን ዋነኛ ግቡም ከአዲስ አበባ ሳይንስና ቴክኖሎጂ ዩኒቨርሲቲ በኮንስትራክሽን ማኔጅመንት በማስተርስ ዲግሪ ለመመረቅ የሚያሰጥን መስፈርትን ለሚሟሉት የሚደረግ የጥናት ጽሁፍ ነው። መጠይቁን ለመሙላት ስምዎችን መገለጽ አይጠበቅብዎትም የሚሰጡት አስተያየትም ሚስጥራዊነቱ የተጠበቀ መረጃውን በመሙላት ለሚያድጉልኝ እገዛ ከወዲሁ ልባዊ ምስጋናዬን አቀርባለሁ።

በሚስማሙት ምላሽ ፊትለፊቱ ባለው ሳጥን ላይ የ ምል የሰቀምጡ

1. ጾታ ወንድ ሴት
2. እድሜ 25 - 35 36- 45 46 - 55 ከ 56 ዓት በላይ
3. የትምህርት ደረጃ

ማንበብና መጻፍ የማይችል ከ 8-11 ክፍል በታች ከ9 -12ኛ ክፍል

ዲፕሎማ ዲግሪና ከዚያ ላይ
4. የጋብቻ ሁኔታ

ያገባ ያላገባ አግብቶ ታ ሌላ
5. የቤተሰብ ብዛት

ከ1-3 4-6 ከ 7 በላይ
6. የእርስዎ ወርሃዊ ገቢ /በብር/

500- 1500 1501 - 3500 ከ 3501 500

6501 - 8500 8501-- 10000 ከ 10000 በላይ

7. የመተዳደሪያ ስራ በተመለከተ

የመንግስት ተቀጣሪ ግል ድርጅት ተቀጣሪ
የራስ ንግድ/ስራ ያለው መንገስታዊ ያልሆኑ ድርጅት

8. የኮንዶሚኒየም ቤቱ ባለቤት ሊሆኑ የቻሉት

በእጣ ደረሰኝ ድለኞች ገዝቼ በውርስ በሌላ

9. የኮንዶሚኒየም ቤትዎ ዓይነት የትኛው ነው?

ስቱዲዮ አንድ መኝታ ባለ ሁ መኝታ ባለ ሶስት መኝታ

10. የቤቱ እጣ ሲደርስዎት ቅድመ ክፍያውን እንዴት ከፈሉ?

በግሌ ያጠራከምኩት በቂ ብር ነበረኝ ማይክሮ ፋይናንስ ተበድሬ ዘ ድ አርድቶኝ

11. ቅድመ ክፍያውን ለመክፈል ከማይክሮ ፋይናንስ ከተበደሩ ወርሃዊ የእዳ ክፍያዎ ስንት ብር ነው?

500- 1500 1501-2500 2501 -3500 3501 -4750

12. ቤቱ የተገዛው በባንክ ብድር ከሆነ ቀሪውን እዳ /80% / ለመመለስ ወርሃዊ የእዳ ክፍያዎ ስንት ብር ነው?

500- 1500 1501-2500 2501 -3500 3501 -4500

13. ወርሃዊ የባንክ እዳዎን ሲከፍሉ አቋርጠው/ሳይከፍሉ ዘለው/ ያውቃሉ ?

በፍጹም አልፎ አልፎ በተደጋጋ

14. ወርሃዊ እዳዎን ሲከፍሉ የሚያቆራርጡ ከሆነ ምክንያቱ ምንድን ነው?

የምክፍለው እዳ ተዳራረቢ ስለሆነብኝ
አልፎ አልፎ የገንዘብ እጥረት ስለሚያጋጥመኝ
በተደጋጋሚ የገንዘብ እጥረት ስለሚያጋጥመኝ

15. የኮንዶሚኒየም ቤቱን ራስዎ እየኖሩበት ነው ወይስ አከራይተውታል ?

እየኖርኩበት ነው አከራይቼዋለሁ

16. ቤቱን አከራይተውት ከሆነ ምክንያትዎ ምንድን ነው ? ምክንያት በሚሉት ፊት ለፊት (✓) ምልክት ያሰቀምጡ

ተ.ቁ	ቤቱን ያከራዩበት ምክንያት	አዎ	አይደለም
16.1	ወርሃዊ የቤቱን እዳ ለመክፈል		
16.2	ከስራ በታና ከልጆች ት/ቤት የራቀ ስለሆነ		
16.3	በአካባቢው መሰረተ ልማት ያልተሟላለት ስለሆነ		
16.4	የተሻለ አማራጭ መኖሪያ ስላለኝ		

17. ከወርሃዊ ገቢዎ ላይ የኮንዶሚኒየም ቤት እዳዎን ጨምሮ ምን ያህል ፐርሰንቱን ለወርሃዊ መደበኛ የፍጆታ ወጪዎችዎ ይውላል ?

ከ 25 - 50% ከ51- 75% ከ76 - 95% ከ96 -100%

18. የኮንዶሚኒየም ቤት እጣ እድለኛ ከመሆንዎ በፊት የሚኖሩት?

ከቤተሰብ ጋር ከራይቼ በቀጠላ ቤት

19. ቀድሞ ተከራይተው ይኖሩ ከነበረ ለቤት ኪራይ ስንት ይከፍሉ ነበር ?

ከ100 ብር በታች 001-2500 ብር ከ25 3500 ብር
 ከ3501 -4500 501 ብር በላይ

20. አሁን ባለው ሂደት መንግስት ለኮንዶሚኒየም ቤት ፈላጊዎች/ለተመዘገቧዎች/ በሙሉ በእቅዱ መሰረት በአጭር ጊዜ ገንብቶ ማስረከብ ይችላል ብለው ያምናሉ ?

በእጅግ አምናለሁ አምናለሁ አላምንም በፍጹም አላምንም

የኮንዶሚኒየም ቤት ዋጋ ከዝቅተኛና መካከለኛ ገቢ ካለው ህብረተሰብ ከፍል የመክፈል አቅም ጋር ተመጣጣኝ ነው በሚባለው ሃሳብ ይስማማሉ ?

በጣም አስማማለሁ አስማማለሁ አልስማማም ፍጹም እልማም

21. በተራ ቁጥር 21 ላይ ለተቀመጠው ጥያቄ መልስዎ አልስማመም ወይም ፍጹም አልስማም ከሆነ ምክንያት ነው በሚሉት ሃሳብ ፊት ለፊት የ (✓) ምልክት ያሥቀምጡ

ተ.ቁ	ተመጣጣኝ ካልሆነ ምክንያቱ	በጣም አስማማለሁ	አስማማለሁ	አላውቅም	አልስማማም	በፍጹም አልስማማም
	ቅድመ ክፍያው ከፍተኛ በመሆኑ					
	ወለዱ ከፍተኛ መሆኑ					
	የእጩይታ ጊዜው አነስተኛ መሆኑ					
	ቤቱን ለማጠናቀቅ ተጨማሪ ወጪ መጠየቁ					
	ከውለታ በኋላ ቤቱን የመረከቢያ ጊዜው መዘግየቱ					

22. ከቤቶች ፕሮግራም ጋር የተያያዙ ጥያቄዎች

ተ.ቁ	የጋራ ቤቶች ግንባታ ያስገኛቸው ውጤቶች	በጣም አስማማለሁ	አስማማለሁ	አላውቅም	አልስማማም	በፍጹም አልስማማም
	የኮንዶሚኒየም ቤት ባለቤት በመሆን ገቢዎ አድጓል ኢኮኖሚያዊ ጥቅም አግኝተዋል					
	የኮንዶሚኒየም ቤቶች ግንባታ አገር በቀለ ኮንትራክተሮችንና ኮንሰልታንቶችን ማፍራት አስችሏል					
	የኮንዶሚኒየም ግንባታ ለአገራችን አዲስ ቴክኖሎጂንና አዲስ ልምድ ይዞ መጥቷል					

	የኮንዶሚኒየም ግንባታ ለወጣቶችና ለሴቶች የስራ አድል መፍጠር አስችሏል					
	የኮንዶሚኒየም ቤቶች ከተማዋን ዘመናዊና ለመኖር የምትመች እንድትሆን አድርጓታል					

23. የኮንዶሚኒየም ቤቶች ግንባታ መጓተት ጋር የተያያዙ ጥያቄዎች

ተ.ቁ	የጋራ መኖሪያ ቤቶች መጓተት ምክንያት	ባጣም እስማማለሁ	እስማማለሁ	አላውቅም	አልስማማም	በፍጹም አልስማማም
	የፕሮጀክት ማኔጅመንት እውቀትና ልምድ አለመዳበሩ					
	የአዲስ አበባ ቤቶች ግንባታ ፕሮጀክት ጽ/ቤት የአሰራር ችግር ያለበት መሆኑ					
	ሙስና ያለ መሆኑ					
	የሃላፊዎች ቁርጠኝነት አናሳ መሆኑ					
	የግዥ ስርዓቱ ደካማ መሆን					
	የተቋራጮች አቅም ማነስ					
	የጥቃቅንና አነስተኛ አንቀሳቃሾች አቅም ደካማ መሆን					
	የአማካሪ ድርጅቶች ችግር					
	የበጀት እጥረት					

24. ቤቱን ከተረከቡ በኋላ ለተጨማሪ ወጪ የዳረጉዎት ስራዎችን ቢዘረዝሯቸው? -----

25. ለቤቱ እድሳት ስንት ብር ወጪ አደረጉ?-----

26. ከኮንዶሚኒየም ቤቶች ጋር የተያያዙ መሻሻል አለበት የሚሉት አሰራር ከሌሎች ወይም ከላይ ከተነሱት ነጥቦች ጋር የተያያዙ ተጨማሪ ሃሳብ ካለዎት -----

"አመስግናሊሁ"



Appendix B: Interview questions for members of condominium price estimator committee of AAHCPO

1. What are the major considerations by the committee to fix selling price of condominium houses?
2. What are the methods applied by the cost estimations committee during the price determination process?
3. Which costs are included on the condominium houses price determination process?
4. What are the difficulties the committee faced on the cost estimation process?
5. In your opinion what type of cost estimation methods implementations are appropriate for the city government on the condominium houses price determination process?
6. Do you believe that the current costs of the condominium houses are affordable to low and middle income of inhabitants?



Appendix C- Interview for Managers of AAHCPO

1. Do you believe that the housing program meets its expectation of addressing the needs of low and middle income residents?
2. What are the measurements that taken by the government to make the condominium houses affordable to the target group?
3. What are the factors that made the housing construction process delays?
4. Do you believe that the current costs of the condominium houses are affordable to low and middle income of inhabitants?
5. Do the project offices have planned to improve performance and change its structure to make the inhabitant beneficiary?



Appendix D- Interview for Higher Officials of Commercial Bank of Ethiopia

1. Out of the total registered peoples how many customers are saving regularly for condominium houses in CBE?
2. What are the requirements fulfilled by condos lottery winner to get loan?
3. Do interest payments are different in each typology or not, if they are different how much is for each of them?
4. Does all typologies loan pay back periods are similar or different ,if it is different how many pay back periods are for each typologies?
5. What are trends of condominium beneficiaries in terms of monthly loan payback ,do they pay their loan continuously or discretely? What percent of debtor are paying their loan continuously?
6. What are the difficulties for CBE related to saving and loan of condominium houses?

Typology	Housing cost	Pay Back Period	Advance Payment	Monthly Loan Payment	Total Cost
Studio					
One bed room					

Two bed room					
Three bed room					

THANK YOU