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## Urban Rental Housing Conditions and Affordability Problems of Civil Servants in Aleta Wondo Town, Ethiopia

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*This study was conducted to investigate “Urban Rental Housing conditions and Affordability problems of civil servants in Aleta Wondo Town. To this end, mixed approach research was employed. Both quantitative and qualitative data were collected mainly through questionnaire survey to 158 randomly selected sample civil servants. KII, FGD and personal observation were also used to collect additional information. The survey result indicated that 70.9% of the respondents are living in rental houses and only 27.8% are found to be homeowners.*

**Keywords:** Affordability, Civil Servants, Housing Problem, Housing Conditions and Tenure structure.

Among the renters, the majority (83.9%) rented their housing unit from private residents. The study also revealed that the factors that most affect civil servants’ access to homeownership are lack of disposable income (89.2%), the difficulty of obtaining land (86.5%), high and increasing cost of building materials (73%) and lack of housing finance/loan (54.1%). Civil servants living in rental houses highly suffer from lack of freedom while getting in and out (85.7%), restriction in the use of facilities (71.4%), are also restricted in the number of visitors (53.6%) coming to their home by the owners. There is also an arbitrary increment of the amount of rent with urgent notice (50%) and lack freedom for children to play freely in the rented compound (48.2%). With regard to housing affordability level, 62.2% showed that owning a house is not affordable to civil servants. On the contrary, rental houses are found to be affordable for civil servants in the study area as the rent-to-income ratio of the majority (93.7%) is below the 30% threshold. However, if

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RIR drops to 10% (since the housing units are substandard) the large majority (60%) of rental houses are unaffordable to the low-income civil servants.

## Introduction

Housing is one of the basic necessities for human survival; despite this, it has remained as a critical problem of most cities in the world (Mahider, 2013). Around the world, over one billion urban residents live in inadequate housing where living conditions are poor and services are insufficient (Habte, 2010). According to the report by McKinsey Global Institute (MGI) quoted in Florida (2014), some 330 million urban households worldwide currently live in substandard housing or are financially stressed because of housing cost. In the developing world, some 200 million households are located in slums; and in developed countries, like USA, EU and Japan, more than 60 million households are financially stressed.

A growing population number in urban centers coupled with an increasing tendency of people to live alone has resulted in continuous rising demand for homes, but the supply of new housing cannot keep pace with the growing demand (Habte, 2010). As such, cities around the world, in developing and developed economies alike, are struggling to meet the housing need of their inhabitants (Garemo, et al, 2014). The supply of urban housing in developing countries is severely constrained and unevenly accessible for different consumer groups, often with increasing cost (Habte, 2010). Olima (2013), noted that the major symptoms of urban housing problem in developing countries include an absolute shortage of housing units, emergence and proliferation of slums and squatter settlement, rising house rent and growing inability of citizens to buy or build their own houses. Some writers argue that the provision of housing in urban areas should be tailored to address the needs of different consumer groups. In this respect, Ndubueze (2009) noted that people in different socio-economic groups have different housing consumption characteristics and problems. Besides this, there is a spatial variation of poverty levels between states and regions in a country. Therefore, examining housing affordability across a different socio-economic groups and states in a country not only offer valuable insight towards local housing realities of different groups, but also indicates the way to deal with their respective housing problems where they exist.

As such, civil servants as a segment of the population, have their own housing problems which require to be addressed in a special way. Accommodation problem of civil servants in many countries has become a crucial demand to be tackled with. For many years, civil servants have been victims of life because of un-affordability to rent, buy or build their own houses in the market rates (Nnunduwa, 2009). With regard to home ownership, the majority of civil servants has a low purchasing or building power (Muturi, 2013) due to low income, lack of access to credit from financial institutes and access to land (Fasika, 2011; Nnunduwa, 2009). As a result, the majority of civil servants in many countries is forced to live in private rental houses (Thapa, 2005) whose rents are rising rapidly with no or limited mechanisms laid down to control it.

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## Statement of the Problem

The rapid rate of urbanization in combination with the poorly developed economic base has posed a number of problems, including housing deficiency and un-affordability, in cities of the developing world. Ethiopia, being one of the less developed countries, is facing serious housing problems in most of its towns and cities. The housing sector in Ethiopia can be described as being of poor quality, having massive shortage, and being congested, unsecured and unplanned. Ethiopia's current urban housing deficit is estimated between 900,000 and 1 million units in urban areas (UN-HABITAT, 2011). In addition, about 60% of urban areas of the country are slums devoid of social and economic services, with overcrowded and dilapidated substandard houses lacking basic housing facilities and services, (UN-HABITAT, 2014).

Many studies have been conducted on issues related to housing problems; however, most are directed to Addis Ababa or some major regional capitals. Most of these studies failed to address measuring affordability level in general in Ethiopian cities and the rental housing situation pertaining to civil servants in particular.

Therefore, this research is expected to fill this gap and add to the body of the existing knowledge. The principal objective of the study was to assess the housing conditions and affordability problems of civil servants in Aleta Wondo town. Under the general objective, the investigators tried to examine the patterns of housing tenure of civil servants; identify the factors that influenced them access to home ownership; and investigate the problems faced by civil servants living in rented houses, as specific objectives.

## Literature Review

Despite the fact that affordable housing has become the focus of streams of recent literatures, it seems that there is no specific definition for it as affordability considerations differ for different groups of people (Hellinan et al, 2006). The definition of affordability varies according to a household's individual circumstance (Centre for Affordable Housing, 2015). As such, its definition varies from country to country (The Economic Times, 2015).

Affordable housing is housing that is appropriately priced for low to moderate income households so that they can also able to meet other basic living costs such as food, clothing, transport, medical care and education. As a rule of thumb, affordable housing is that costs less than 30% of gross HH income (Centre for Affordable Housing, 2015). According to Aribigbola (2011) "affordable housing" refers to the capacity of HHS to meet housing costs while maintaining the ability to meet other basic costs of living. CORT (2015), states that a house is affordable if the total housing costs are affordable for the occupants, taking the commonly accepted guideline of a cost that doesn't exceed 30% of HH'S gross income.

Maclennan & Williams (1990) cited in Hellinan et al (2006) associate affordable housing with the price or rent of securing any given standard of housing (or different standards) that doesn't impose, in the eye of any third party (usually government), an unreasonable burden on HH income. Hulchanski (1995) expressed that affordable housing is concerned with housing costs (including rents, Mortgages, property taxes, maintenance & basic Utilities) that incur less than 30% of household income or budgets. The Housing Cost Approach (housing expenditure-to-income approach) is the most common measure and embraces the house price-to-income ratio

and the rent-to-income ratio. Even if they have some limitations, they also have some unique advantages such as simplicity, comprehensibility, availability of required data and amenability of spatial and trend comparative housing studies. The rent-to-income ratio was adopted in this investigation due to availability of the required data (Maclennan and Williams, 1990).

### The Right to Adequate Housing

The International human rights law recognizes the right to adequate housing as part of the right to an adequate standard of living (OHCHR, 2015b). The legal status of the right to adequate housing is mainly based on the 1948 Universal Declaration of Human Rights (UDHR) and the 1966 International Covenant in Economic, Social and Cultural Rights (ICESCR) (OHCHR, 2015a). In addition, in Ethiopia (FDRE, 1995) three articles, Articles 90(1) mention housing as one of the guiding policy principles. Thus, under Article 41(3) and (4), the publicly funded social services to which all Ethiopian nationals have the right to equal access and which the government is obliged to provide can be interpreted to include housing services. Under Article 41(5), the term assistance can be interpreted to include housing provisions if the category of people mentioned are in need of them.

### Overview Housing Situations in Ethiopia

According to the population and housing census (CSA, 2007) in Ethiopia there are 15, 103, 134 housing units most of which, 80.8% are found in the rural areas and 19.2% are found in towns of the country. In urban areas, owners occupied housing units account for about 39.3% and about 40.4 % of the urban housing units are rented from private households (CSA, 2008a). The urban housing units are generally of poor quality, having massive shortages (over 900,000), congested, unsecured and unplanned. It is estimated that only 30% of Ethiopia's total housing stock is in fair condition, whereas the largest proportion, 70%, is in need of total replacement (Center for Affordable Housing Finance Africa, 2014; UN-HABITAT, 2011). This is mainly attributed to low per capita income, low investment in housing, rapid growth of population, massive urbanization, rising cost of building materials, low income of urban dwellers to afford decent and standard housing, low investment or scarcity of financial resources to increase housing development and low supply of serviced residential plot (Habte, 2010).

### Housing problems of Civil Servants

Governments provide public services to their citizens via civil servants. One major factor that critically affects the effective delivery of services and the implementations of development projects is identified to be frequent "turn over" of dissatisfied employees and the difficulties of filling vacancies left by them (Ohashi, 2013). Among others, one way to facilitate the attraction and retention of civil servants especially in regional and remote locations is the provision of adequate housing (Department of Housing, 2015). Despite this fact, accommodation problem of civil servants has been neglected in many countries.

Nnunduwa (2009), in his study of "Design of Low - cost Houses for Civil Servants in Tanzania" indicated that beyond 2002, the government of Tanzania provided only 6000 residential houses

to accommodate more than 800,000 civil servants which put the ratio of houses to the number of civil servants at less than 0.01. Muturi (2013), on his part described that only 3,000 out of 131,745 civil servants in Kenya own houses under mortgage and tenant purchase which represents only a 2.2% ownership. Onyike (2007), cited in Foluke et al (2015) carefully studied the situation of housing affordability in Owerri, Nigeria, and explained that the majority of civil servants in the state cannot afford adequate housing without substantial assistance from the government.

Fasika (2011), in her study of access to homeownership of middle - and low - income earners in Bahir Dar city revealed that only 34% of the employees, have their own housing unit and 56.7% lives in rental houses. 45% of homeowners have become homeowners by constructing their own houses. Financial source for 40.5% of homeowners was loan from individuals. All the literatures reviewed so far revealed that purchasing of a completed house at the current market price is beyond the reach of civil servants and the only option left for them, i. e. building a house, is also becoming more and more unaffordable for which they attributed lack of access to obtain residential land and credit from financial institutes (Fasika, 2011; Foluke et al, 2015, Muturi, 2013 and Nnunduwa, 2009). They also showed that most of the civil servants living in rental houses are not satisfied with their rental housing units, and these were attributed to poor housing units, densely populated neighborhoods, high rental prices, long distance to work place, among others (Fasika, 2011; Foluke et al, 2015; Muturi, 2013 and Nnunduwa, 2009).

## Methods and Materials

Aleta Wondo town is located at about 333km south west of Addis Ababa and about 64km south west of the regional capital, Hawassa along the road that leads to Negele Borena. In the global grid system, it lies approximately between  $6^{\circ} 35' 37'' - 6^{\circ} 37' 00''$  North latitudes and  $38^{\circ} 24' 10'' - 38^{\circ} 26' 00''$  East longitudes.



Figure 1 Location map of Aleta Wondo town (Source: Arc-GIS) According to the 2007 Population and Housing census report of CSA, the total population number of Aleta Wondo town is 22,093, of which the number of male populations is 11,646(52.7%) and those of female population is 10,447(47.3%). There is a total of 4,975 households in the town and 4,748 housing units indicating a deficit of 227 housing units.

## Research Design

In this study, the researchers employed a mixed research design to collect, analyze and interpret the data. Mixed research design was selected for this investigation because it enables to capture the best of both quantitative and qualitative approaches (Creswell, 2003). In doing so, both quantitative and qualitative survey designs were employed.

The concurrent research method was employed where both forms of data were collected at the same time during the study and integrated in the interpretation of results. In order to achieve the objectives of the study, both primary and secondary sources of data were used. The primary data had been collected from sampled civil servants and the concerned officials of the municipality. The secondary data were collected from various published and unpublished sources such as books, Journals, theses, official documents and reports of the municipality.

In Aleta Wondo town, there are a total of 793 civil servants in 18 institutions (Wondo Town Civil Service Office, 2015). Four institutions were purposively selected as they nearly comprise half of the total civil servants in the town. They were Aleta Wondo First Cycle Secondary and Preparatory school, Health center, Aleta Wondo Town Municipality and Trade and Industry Office. These institutes constituted the sample frame from which sample units were selected proportional to their number of employees. In selecting the sample units from each institute, simple random sampling was employed. To determine the sample size, the following formula had been adopted from Kothari (2004). Therefore, a total of 158 sample employees were selected.

The sample size from each institution was selected proportional to their size as follows. Questionnaires, KII, FGD and direct observation are instruments for primary data collection. Official reports, books, journals are also as secondary sources of information. The data collected were analyzed quantitatively by using different techniques like percentages, frequencies and the findings were described and presented in a tabular and graph formats. Whereas, the data obtained through interviews, FGD and observation were analyzed and described qualitatively. Besides these, SPSS was used to determine whether there is statistically significant correlation between civil servants' socio - economic characteristics and their tenure status. For this purpose, chi-square test was applied. Finally, to assess housing affordability level of civil servants, the rent-to-income ratio was adopted.

## Results and Discussion

### Age and Sex Distribution of Respondents

As indicated in table 1, out of the sampled respondents, 62.7% are males and only 37.3% are females. This indicates that males have a better exposure to education and employment than females. As gender inequality and bias is deeply rooted and multi- dimensional issue in a society like that of ours', its gloomy side is also reflected in terms of access to residential housing. One female participant in Focus Group Discussion said that:

Age is an important characteristic that has relevance in terms of tenure status i.e. homeownership and tenancy. 62.7% and the remaining 37.3 % are male and female respondent respectively. The age distribution of respondents ranges between 21 and >50. Out of these, the majority, 36.7% of

the respondents are in the age group of 26 – 30 years. 25.9% are in the age group of 21 – 25 and 14.6% belong to the age group of 31 – 35. The age of 9.5% respondents falls in the age group 36 – 40 and 7% are >50 years old. The study also indicates that the age groups 41 – 45 and 46 – 50 accounts 3.2% respondents each. As can be seen from the result, majority of the respondents accounting 62.6% are young whose age ranges between 21 to 30 years. These young civil servants earn low income and as they are new entrants as government employees as well as immigrants, they cannot have their own house and their only option is to live in rental houses.

#### Marital Status, Household size and Educational Attainment of Respondents

With regard to marital status, respondents were provided with four choices to select from. These are single, married, divorced and widowed. Accordingly, the majority of the respondents, 85 (53.8%), are married while 70 (44.3%) are single. Again, 2 (1.3%) are divorced and only 1 (0.6%) is a widow.

Table – 1

Age sex Distribution of Respondents

Sex of Respondents		Age Composition of Respondents (Years)							Total
		21-25	26-30	31-35	36-40	41-45	46-50	>50	
	Male	16	40	14	11	3	4	11	99
	Female	25	18	9	4	2	1	0	59
Total		41	58	23	15	5	5	11	158

Source: Field Survey, 2016.

Table – 2

## Marital Status, Household Size and Educational Status of Respondents

	Frequency	Percent
<u>Marital Status</u>		
Single	70	44.3
Married	85	53.8
Divorced	2	1.3
Widowed	1	0.6
Total	158	100.0
<u>Household size</u>		
1 – 3	98	62.0
4 – 6	48	30.4
7 – 9	9	5.7
10 – 12	1	0.6
>12	2	1.3
Total	158	100.0
<u>Educational Status</u>		
9 – 12	5	3.2
10+1 – 10+3	32	20.3
BA/ B.Sc/ B.Ed./ MD	117	74.1
MA/ MSc	4	2.5
Total	158	100.0

Source: Field Survey, 2016

Out of the sampled respondents, the majority 98 (62%) have 1-3 members in their families while 48 (30.4%) reported that they have 4-6 members in their household. Household size of 9 (5.7%) respondents is 7-9 whereas only 1 (0.6%) respondent's family size falls in the range of 10-12. Finally, 2 (1.3%) respondents said that their household size is >12.

Education is a key determinant of individual opportunities, attitudes, and economic and social status (CSA, 2014). Its effect on housing related issues is unquestionable. The survey result provided in Table 4.1 indicate that the majority 117 (74.1%) of the respondents are first degree holders while 32 (20.3%) of them responded that their educational level ranges from 10+1 – 10+3. The number of second-degree holders is only 4 (2.5%). Finally, 5 (3.2%) of respondent's educational level ranges between grade 9 to 12. The survey result indicated that the majority of respondents were well educated.

#### Occupation and Work Experience of Respondents

Out of the total 158 respondents, 70 (44.3%) are teachers, 22 (13.9%) are accountants and 15 (9.5%) are nurses. The number of engineers is 8 (5.1%) while secretaries and guards accounted 5 (3.2%) each. Again, 4(2.5%) respondents each replied their occupation as janitors and officers; while the number of Doctors and Health Officers is 3 (1.9%) and 2(1.3%) respectively. Others like Laboratory Technician, Computer Administration and Councilor each accounted 1(0.6%). The remaining 17(10.8%) respondents simply replied "civil servant" as their occupation.

Majority of the respondents' (31.6%) have work experience is between 1 and 5 years. This is followed by 29.1% respondents whose work experience is between 6 and 10 years. Again, 8.2% respondents had work experience that ranges between 11 and 15 years. Those respondents with work experience >15 years and <1 year accounted 19.6% and 11.4% respectively. The survey result revealed that the majority (72.1%) of respondents' work experience was below ten years. This implies that it is difficult for them to accumulate enough money during this short duration that may enable them to solve their housing problems.

### Monthly Income and Saving Level

Household income is the principal factor affecting housing quality and tenure status. It also plays an important role as a primary determinant of whether a household is in need of affordable housing. The total monthly income (net income plus additional income of a spouse or other) of most of the respondents accounting 115 (72.8%) ranges between 1501-3500 birr. With regard to respondents saving capacity, it is found that 37 (23.4%) of them save nothing because lack of disposable income due to the imbalance between income and expenditure.

On the other hand, 38 (24.1%) respondents' monthly saving is between 100-300 birr whereas 24 (15.2%) and 21 (13.3%) save 301-500 and <100 birr per month respectively. In addition, 16 (10.1%) of respondents monthly saving falls in the range of 701-900 birr and 10 (6.3%) respondents saving is 901-1100 birr. Finally, 501-700 and >1100-birr monthly saving accounted 6 (3.8%) respondents each.

Table - 3  
Total Monthly Income of Respondents

Monthly Income	Frequency	Percent	Cumulative Percent
=<500	2	1.3	1.3
501-1000	7	4.4	5.7
1001-1500	3	1.9	7.6
1501-2000	34	21.5	29.1
2001-2500	33	20.9	50.0
2501-3000	17	10.8	60.8
3001-3500	31	19.6	80.4
3501-4000	9	5.7	86.1
4001-4500	6	3.8	89.9
4501-5000	6	3.8	93.7
>5000	10	6.3	100.0
<i>Total</i>	158	100.0	

Source: Field Survey, 2016

### Housing Conditions of Respondents

Housing is considered to be one of the basic necessities for human survival. In contrast to this, many cities and towns in Ethiopia are facing acute problem of providing adequate housing to their residents. The notion of adequate housing incorporates both the quantity and quality of houses available to inhabitants of a given geographical area. With this regard, Muleta (2014) noted that in addition to the availability of housing itself, the housing condition including its quality and facilities is an important component that also affects the welfare of households. Therefore, it is essential here to examine the housing conditions of civil servants living in the study area.

### Physical Structure

This section assesses the physical structure of the housing units in which sampled respondents currently reside. This includes wall of the housing units, ceiling type and floor of the housing units (Table 4).

Table - 4  
Physical Structure of the Housing Units

Physical Structure of the Housing Units	Home Owners		Tenants		Living with Family		Total	
	Fre.	%	Fre.	%	Fre.	%	Fr.	%
<u>Wall Type</u>								
Wood and Mud	34	21.7	83	52.9	2	1.3	119	75.8
Hollow Blocks and Cement	3	1.9	5	3.2	0	0.0	8	5.1
Stone and Cement	7	4.5	22	14.0	0	0.0	29	18.5
Bricks and Cement	0	0.0	1	0.6	0	0.0	1	0.6
Total	44	28.0	111	70.7	2	1.3	157*	100.0
<u>Ceiling Type</u>								
No Ceiling	7	4.5	22	14.0	0	0.0	29	18.5
Abudjadid (Fabrics)	21	13.4	57	36.3	1	0.6	79	50.3
Plastics	2	1.3	9	5.7	0	0.0	11	7.0
Chip Wood	14	8.9	23	14.6	1	0.6	38	24.2
Total	44	28.0	111	70.7	2	1.3	157*	100.0
<u>Floor type</u>								
Earth Floor	12	7.6	22	14.0	1	0.6	35	22.3
Wooden Tiles	1	0.6	3	1.9	0	0.0	4	2.5
Cement Floor	31	19.7	84	53.5	1	0.6	116	73.9
Bamboo Floor	0	0.0	2	1.3	0	0.0	2	1.3
Total	44	28.0	111	70.7	2	1.3	157*	100.0

Source: Field Survey, 2016

Missing value

Out of the total 157 respondents, the majority 119 (75.8%) claimed that their houses are constructed from wood and mud. Next, the walls of 29 (18.5%) respondents' housing units are constructed from stone and cement. "Hollow blocks and cement" and "bricks and cement" accounted 8(5.1%) and 1 (0.6%), respectively. The ceiling type of the housing units of 79 (50.3%) respondents are made of fabrics, 38 (24.2%) from chip wood, and 11 (7%) from plastics. Moreover, 29 (18.5%) of them replied that they are living in houses that have no ceiling at all. The floor type of 116 (73.9%) respondents are cements tiles.

35 (22.3%) replied earth floor, 4(2.5%) wooden tiles and 2(1.3%) bamboo floor. It can be deduced from the result that the majority of the houses in which sampled civil servants live are made of less durable materials like wood and mud. Besides this, some of them have plastic ceiling or no ceiling at all; and floor types of some are bamboo or earth floor. This indicates that they are in poor conditions and below the standard.

#### Availability of Basic Housing Facilities

This section examines access of sampled civil servants to basic housing facilities such as source of drinking water, toilet, electricity (meter), kitchen and bathing type (see Table 5). Accordingly, the source of drinking water for 93 (58.9%) respondents is shared pipe while 65 (41.1%) respondents use private pipe. Again, 97 respondents representing 61.4% uses shared toilet and electricity (meter) and only 61(38.6%) replied that they have their own private toilet and electricity (meter). With regard to kitchen type, 83 (52.5%) respondents share kitchens with others and 6(3.8%) respondents have no kitchen at all. On the other hand, only 69 (43.7%) of the respondents have their own private kitchen.

Table - 5

Availability of Basic Housing Facilities

Facilities	Private		Shared		Not-Available		Total	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Source of Drinking Water	65	41.1	93	58.9	0	0	158	100
(Pipe)	61	38.6	97	61.4	0	0	158	100
Toilet	61	38.6	97	61.4	0	0	158	100
Electricity	69	43.7	83	52.5	6	3.8	158	100
(Meter)	45	28.5	72	45.6	41	25.9	158	100
Kitchen								
Bathing Type								

Source: Field Survey, 2016

### Tenure Status of Respondents

In the same way, the bathing type of 72 (45.6%) respondents is shared, 45(28.5%) respondents is private, and 41 (25.9%) of respondents have no bathing room at all. The above discussion of the result reveals that the majority of the sampled civil servants are living in houses where facilities are shared with others. This implies that they have no freedom in using these facilities as they wanted to.

Tenure refers to the arrangements under which the household occupied its living quarters. A housing unit is said to be owner occupied, if the occupant household owns it and it is free from rent. Similarly, a housing unit is considered as rented if the household living in it pays rent to a private individual or to public offices (CSA, 2008a). As indicated in Table 6, 70.9% are living in rental houses while only 27.8% are homeowners. The remaining 1.3% respondents are living with their parents.

Table - 6  
Tenure Status of Respondents

Sex of Respondents	Tenure Structure of Respondents						Total
	Private-built by own	Private-Purchased	Private-Inherited	Rented-Public	Rented-Private	Living with family	
Male	25	3	4	11	55	1	99
Female	8	1	3	9	37	1	59
Total	33	4	7	20	92	2	158

Source: Field Survey, 2016

Out of the total sampled respondents, 112(70.9%) living in rental houses, 83.9% of them rented from private renters while 16.1% rented from public authorities. From the result, it can be said that the private rental sector, mainly of service quarters, meet the housing needs of the majority of civil servants living in the study area. Despite its huge role in housing supply, the private rental sector is invaded by many problems to which these considerable sections of civil servants have been exposed.

Table - 7  
Monthly Rent

Monthly Rent	Frequency	Percent	Cumulative Percent
<100	17	15.2	15.2
100-300	34	30.4	45.5
301-600	49	43.8	89.3
601-900	6	5.4	94.6
901-1200	6	5.4	100.0
<i>Total</i>	112	100.0	

Source: Field Survey, 2016.

Table 7 presents the amount of rent paid by respondents per month in Ethiopian Birr. The amount of rent paid by 49 (43.8%) respondents is in the range between 301 and 600 birrs followed by 34 (30.4%) respondents whose payment is between 100 and 300. In addition, 6 (5.3%) respondents each pay house rents that fall in the ranges 601-900 and 901-1200. Those who pay monthly rent below 100 birrs accounted 17 (15.2%). However, no respondent pays monthly rent above 1200 birr

The respondents were also asked if there is change in the amount of rent price. Accordingly, their responses are presented in Table 8.

Table – 8  
Increment in the Amount of Rent Prices

Amount of Change in birr	Frequency	Percent	Cumulative Percentage
≤50	12	16.7	
51-100	28	38.9	
101-150	8	11.1	
151-200	14	19.4	
201-250	0	0	
251-300	4	5.6	
301-350	0	0	
>350	6	8.3	
<i>Total</i>	72*	100.0	

Source: Field Survey, 2016.

## Missing Values

The result indicates that 75 (67%) affirmed that in every year or two years owners increase housing rent. The amount of increment ranges between 50 – about 350-birr Problems of Civil Servants Living in Rental Houses. Besides to poor conditions of the housing quarters, sample civil servants' questions were posed in the questionnaire about the major social problems faced by civil servants living in rental houses.

Table - 9  
Main Problems Faced by Civil Servants Living in Rental Houses

Main problems faced by civil servants living in rental houses?	Frequency	Percent*
Lack freedom when getting in and out	96	85.7
Restrictions on the use of water, electricity and toilet.	80	71.4
Restriction on the number of friends visiting them	60	53.6
Arbitrary increment of rent with urgent/no notice	56	50.0
Lack of freedom for children to play freely	54	48.2
Lack of security of tenure	101	90.2

Source: Field Survey, 2016

The total value exceeds 100 % since respondents are allowed to choose multiple answers.

The main problems they stated include lack of tenure security (90.2%), lack of freedom when getting in and out (85.7%), owners' restrictions in the use of facilities such as water, electricity and toilet (71.4%), restrictions in the number of friends visiting them (53.6%), arbitrary increment of rent with a short notice (50%) and lack of freedom for children to play freely (48.2%). In this respect, participants of focus group discussion said the following:

In rental houses you have no freedom at all. You cannot use electricity for other purposes like cooking food. Most landlords do not allow you to use electricity late at night. They also impose restriction in using water. Some even restrict that tenants can use only one bucket of water per day. However, the water supply of the town is not regular and for days or weeks we have to use that single bucket of water or find other alternatives that expose us to additional cost. They also do not tolerate you to come late at night. In rental houses, as we are sharing one kitchen with the homeowners, they do not allow you to use the kitchen at any time you want. To prepare food, you have to wait until they first finish their own work. By the time when they finish their own work, it is too late and we have to hurry to our work place. This again exposes us to additional expense.

Analysis of Tenure structure and Housing Affordability

Table 10 below illustrates the association between tenure structure and socio-demographic characteristics of sampled civil servants in the study area using Pearson's chi-square test of independence. Chi-square test was selected for this analysis since tenure structure and some of the characteristics of respondents are categorical variables. Other quantitative characteristics of respondents were changed in to categorical variables so that they could be used for this analysis. Since tenure types are broadly divided into homeowners and renters, two respondents living with their parents were excluded here and only the information gathered from 156 respondents were considered.

Table - 10  
Association between Respondents' Characteristics and Tenure Structure

Respondents' characteristics	Chi-square	P-value
Sex	2.575	0.109
Age	12.598	0.000*
Marital status	7.145	0.008**
Household size	25.531	0.000*
Educational level attained	2.672	0.263
Work experience	8.089	0.018**
Migration status (Place of Birth)	6.296	0.012**
Years of stay in the town	18.008	0.000*
Net monthly income	11.072	0.004**
Saving amount	8.210	0.016**

Source: Computed from Field Survey, 2016

#### Significant at 0.01 and 0.05 Significance Levels Respectively

The result depicts that eight of the ten variables have statistically significant relationship with tenure structure at different P-values of  $< 0.05$ . These are age, marital status, household size, work experience, migration status, years of stay in the town, income and saving. On the contrary, the P-values of sex and educational level of respondents are  $> 0.05$  indicating that they have no statistically significant relationship with tenure structure in the study area.

#### Affordability Level of Renters

To examine affordability level of rental houses for tenants, the rent-to income ratio was applied. To accomplish this, annual income of respondents was categorized into equal groups and the median of each group was taken as the annual median income of that specific group. Then, the rent-to-income ratio for each group was computed and presented in Table 11 as follows. The survey result shows that the rent-to-income ratio ranges from 6.6% to 47.6% in the study area. The largest value (47.6%) is recorded for 2.7% respondents whose annual income is  $\leq$ 6,000 birr. Next comes 45.6% which is the value recorded for 3.6% respondents whose annual income is 6,001-12,000 birr. The ratio obtained for the remaining 93.7% range from 16.7% to 6.6%. Using the 30 % bench mark, it can be concluded that rental houses are affordable for the majority of civil servants residing in the study area as most (93.7%) exhibited values less than the specified 30% limit. On the contrary, rental houses are not affordable only for smaller groups accounting 6.3% of respondents with low annual income of less than 12,000 birr.

Table – 11

## Rent-to-Income Ratio of Respondents

Income Groups	Annual median Income	Frequency	Percent	Annual median Rent	Rent-to-Income Ratio
6,000	5,040	3	2.7	2,400	47.6 %
6,001-12,000	11,832	4	3.6	5,400	45.6 %
12,001-18,000	14,400	3	2.7	2,400	16.7 %
18,001-24,000	20,652	31	27.7	2,400	11.6 %
24,001-30,000	29,352	32	28.6	2,400	8.2 %
30,001-36,000	33,216	13	11.6	5,400	16.3 %
36,001-42,000	39,336	20	17.9	5,400	13.7 %
42,001-48,000	42,924	2	1.8	5,400	12.6 %
>60,000	82,128	4	3.6	5,400	6.6 %
Total		112	100.0		

Source: Field Survey, 2016

The use of 30% limit as measure of affordability takes into consideration the quality of the housing units. Most of the housing units' civil servants currently reside are devoid of basic facilities like electricity and water supply. Moreover, nearly 50 % of the rental housing units are consisting of only one room implying they are overcrowded. Rather than taking 30% (Rent-to-income ratio) as rule of thumb for measuring housing affordability, it would be more realistic to consider it based on the quality of the dwelling units. Therefore, if we reduce it to 10 % over 60 % of the rental housing would become unaffordable.

Income plays an important role as a primary determinant of whether a household is in need of affordable housing, but income also affects the price of housing in the market. Housing is a normal 'good' and, as incomes increase, we expect that more housing will be demanded, which

in turn increases the average price of housing. Demographics play a similar role because housing is a necessity, so as the population increases.

## Conclusion

Urban housing problem has become a serious concern in many cities of the Third World including Ethiopia. Civil servants in small sized towns like Aleta Wondo devoid of public participation, like condominium building, are facing serious housing problems as observed from the results of the investigation. As most of them are dislocated from their previous localities to reside in the town, the first challenge they encounter is the problem of shelter. Based on the study, the following conclusions are drawn.

- Most of the housing units used by civil servants are found to be substandard. Some are lacking even to supply basic facilities like electricity, water and kitchen. In terms of tenure structure, only small proportions have their own houses while the majority of them live in privately owned rental houses.
- There is no formal housing market system and lack official financial institution supporting housing supply in the town. The only option to build a house is limited to the household. Moreover, housing ownership has become difficult due to factors such as high and increasing costs of building materials, the difficulty of obtaining land, in comparison with low income. That is the ever-increasing cost of construction material as well as the frequent occurrence of shortage of supply soared the housing construction cost beyond the capacity of the majority of the civil servants.
- Civil servants living in private rental housings are challenged with many problems. Their main problems are social, personal and economic in nature. In terms of housing affordability level, owning a house was found not affordable to civil servants. On the contrary, considering 30 % RIR, as rule of thumb, rental houses were affordable. However, the persisting housing quality and size it would be illogical to use this model. Therefore, if we reduce this model lower than 20%, most dwelling units will become fall below the affordable level.

Generally, it can be concluded that accommodation problems of civil servants are not given the necessary attention. As the local community is the direct beneficiary of public services provided by civil servants, neglecting their problems including their housing conditions, potentially will negatively affect both the quality and quantity of services provided to the community. Therefore, the result of the survey revealed that housing problems of civil servants should be given due attention both by the government, the town's municipality and the local community.

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