

Housing Development and Urban Renewal:

Integrated Approach of Inner City Revitalization:

A case study of Addis Ababa, Ethiopia

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1 Shelter Situation Analysis of Addis Ababa

1.1 General

Addis Ababa, situated in the central part of Ethiopia was established and became the capital city of the nation in 1886 with about 50,000 inhabitants. Since then, settlers who came from all over the nation populated the place. Currently the population of the city is estimated to be 3,363,114 out of which the female and male population is 51.97 % and 48.3 % respectively (FEDB, 2006). The projected rate of population growth of the capital city is about 3.3 (FEDB, 2006). Moreover, the share of the city's national total urban population is about 25% (RUSPS, 2006).

Addis Ababa is a self-governing city under the federal system of the political administration. It is a very recent occurrence that cities are given due attention in the country's economic development strategy. The city in its decentralized administration has three levels; 199 kebeles at the lower level, 10 sub cities in the middle and the city administration itself at the top.

The ever-increasing urbanization fuelled by the high level of unemployment, according to CSA 2004 reaching 32.1% in 2003, along with the lack and inadequacy of housing and basic infrastructure services results poor economic development, which define the general urban poverty characteristics of the city.

1.2 Facts on Shelter Situation of Addis Ababa

Different actors contribute to the housing supply of the city with varying intervention types and magnitude at different times. The major interventions in the provision of shelter however are in the form of individual housing construction, housing cooperatives, housing schemes by governmental and non-governmental organizations as well as through real estate developers adding up to the current housing stock of the city. According to the census conducted by the city government in 1995/1996, the total dwelling units were estimated to be 238,000. Despite the fact that there is insufficient and unreliable data on current housing stock, the city administration officially estimated the increase in housing stock, considering the contribution of private and public housing supply, and indicated that the total housing units reaches 449,592 in 2004 (AACA, 2004).

Based on these data of housing stock and population as well as an average family size of 5.2 (ORAAMP, 2006), enumerations of housing deficit can be depicted. Consequently, various studies indicated an enormous and varying gap between demand and supply of housing, ranging between 250,000 to 450,000. However, these results can be considered as a mere indication of quantities camouflaging the real characteristics of the existing housing stock. Out of the total estimated existing housing stock, 80% are found in the inner city (ACSURC, 2007) which is in an extremely dilapidated condition needing to be replaced. According to CSA 2004; 97% of the total housing stock of the city are single storied buildings, 41% of the housing units are overcrowded with an average number of rooms per housing unit being 2.6 and an average of 2.1 person per room (ORAAMP, 2002), 67% of the units lack toilet facility (CSA, 2001) and the 1994 population and housing census has revealed that 82% of the housing units are made of wood and mud (*Chicka*) wall while 53% of the units have bare soil floors. The MDG's Urban Sector Assessment Study (cited in AALTIDP,2005) revealed that 80% of the housing units and

neighbourhoods are slums and that 50% of the housing units need to be replaced by 2015 to meet the MDG. These facts are supported by the shelter need assessment conducted in the city and which is reported by the Housing Agency of the city Administration in 2007 revealing that 453,081 citizens responded by registering to be enlisted in the lottery system of the housing development program¹. It can thus be implied that significant proportion of these registered urban dwellers are not only new comers in different forms to the city but are mainly those who live in areas of inconvenient living environment described above.

Housing Tenure

A major shift of housing tenure status occurs during the 1975's nationalization of urban land and extra housing, which introduced not only public ownership of houses but also changed the trend of private housing development. As a result of the nationalization the local and federal governments (CSA, 1994) owned 37.92% of the total housing stock. In 1991, during the change in government, few houses owned by the federal government were privatized reducing the number of public house ownership a few steps back to 34% (AACAA, 2004). It is quiet significant to note that the public houses owned especially by the city government, the *Kebele* houses, are rented with very low price and remain the same for the last 30 years resulting in poor housing condition due to lack of finance for basic maintenance. Paradoxically the rate of the very low rent can be at certain places 20 times cheaper than renting a privately owned house of the same size, quality and location. The informal housing sector, mostly built at the periphery of the city on farmlands acquired through purchase from the farmers, also contributes about 20 % of the total housing stock (ORAAMPc 2001).

Housing Construction Cost and Affordability

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 population, who earn *Birr* 391(a little less than 45 USD) monthly median income in Addis Ababa (PADCO, 1997) and Curran, 2007 estimated the current median income to be between *Birr* 500-525(a little less than 55 USD). The

¹ The housing development program, intending to identify the beneficiaries and estimate the demand conducted a registration followed by the announcement made public to the city dwellers.

current cost of housing with minimum habitable construction, estimated with unit area cost per square meter, could fall in the range of Birr 25,000-75,000 for housing units of 20-60 square meters. These facts clearly indicate that the majority of the low income group, the unemployed and people working in the informal sector accounting to more than 60% are unable to afford even the down payment required which is in the range of Birr 5,000-15,000.

Access to Basic Infrastructure

Water supply, sewerage system, solid waste management, access roads, transport, electric and telephone services are the basic infrastructure services, which are crucial elements, which needs to be linked with the housing sector development. In the case of Addis Ababa, the later two are in reasonable status while the rest need intense intervention of improvements. The coverage of water supply in the city in 2004 was 69% (AAWSA, 2004), the sewerage system of the city is able to connect only 1600 housing units (AALTIDP,2005). Similarly, the development of solid waste management, transport and access roads are sluggish.

1.3 Housing Policy

Housing policy as any other policy is a course of action designed by government or non-governmental body to guide interventions in certain manner and involves not only shelter provision but also social, economical, political and cultural issues. In the case of Addis Ababa, until recently the attention given to such policy was little to none letting the housing development interventions to have a sporadic effect.

In 2005, however the national urban development policy was formulated and within its framework, a national integrated urban housing program was established. In the policy document the different actors and there roles are specified. Based on this policy the national integrated urban housing development program deliberated a five-year plan of constructing 396,000 low-cost housing in selected 33 major cities and towns of the nation (IUHDP, 2005). The major actors assigned to execute this plan are the local governments and the lion's share of the plan, which is 192,500 housing units, 48.6% of the total housing to be constructed, goes to the capital city Addis Ababa. Apart from the major objective of provision of shelter, the integrated urban housing development program has other components such as the development of Micro and Small Enterprises, Employment generation, capacity building in the construction industry and regeneration of inner urban areas.

1.4 Actors in Shelter Delivery and their Roles

The individual and cooperative housing development on individual and group plots, government intervention on low-cost housing construction and provision of rental housing by the local and central government as well as the more recent sector of private real-estate developers played major roles in the supply and delivery of housing in the city. It is also appropriate to signify the role of the existing private houses, regardless of their type and size, which nowadays are the major suppliers of rental units to citizens who cannot afford to join the housing market to buy or construct their own new dwellings. Similarly, despite the continuous treats of eviction, the informal settlements continue to play their role in the housing supply, which was estimated a few years ago to be more than 60,000 units.

1.5 Shelter Design and Development

Most part of the inner and intermediate area of the city undergoes rather sporadic development long before the relatively recent structure plan is prepared and put to be acted upon. Along with the structure plan, supplementary regulatory framework is placed to guide the development of the city, such as building construction and height regulations, environmental protection and strategic investment area plans, etc. However, it is often seen that the existing consolidated settlements within these areas have little in common with the envisaged structure plan often hinder and create challenges to development activities.

Although some unique features and styles are displayed in certain old buildings, it is difficult to categorize the design of shelter in the city in certain styles or pattern. Mostly it involves vernacular type architecture with the special arrangement and material usage determined by sheer availability and cost minimization. Many of the dwellings constructed before two decades were of mud and wooden single storey structures with corrugated iron sheet roof covers, which persevere in some part of the city particularly in informal settlements without any material modifications or development. Recently these main building construction materials are replaced by reinforced concrete structures, concrete blocks and at a lesser extent bricks and other building materials.

A typical layout of an individual dwelling plot is composed of the main building at the front, service rooms at the back with a kitchen yard in-between and a front yard

depending on the size of the plot. Moreover, the common part of every dwelling is the fence around the plot signifying the typical characteristics of privacy and sense of security. This typical feature of an individual private dwelling plot layout applies to almost all levels of social groups with few exceptions. However, the development of the layout usually reaches its complete form incrementally. Due to lack of access to financial institutions and low level of income, the service rooms with simple row type units are the first stage along with the fence to be constructed. In addition, in many cases the single or basic rooms gradually will continue to extend forming a linear or random development within the plots. The extension of rooms creates an opportunity of extra income to the households through renting the extended rooms. This opportunity often becomes an alternative way of financing the extension of new rooms or the main building for the household. Apart from the benefits gained by the households this extension of rooms within existing compound becomes a substantial source of shelter to many city dwellers who cannot afford to buy or construct their own dwellings and do not have access to land.

2 The Addis Ababa Integrated Housing Development

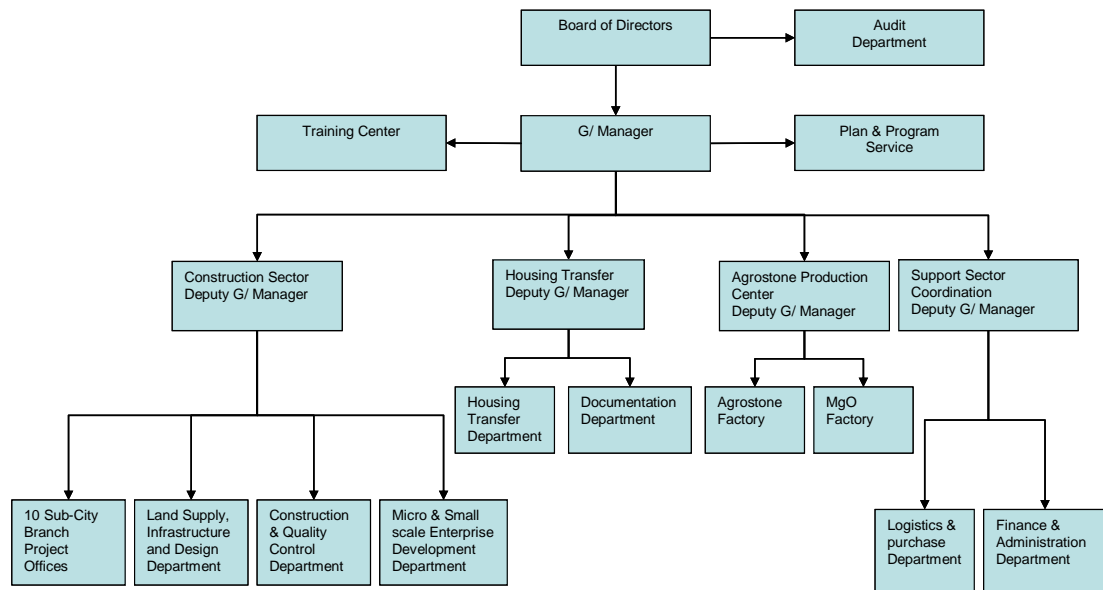
Project Office

The city, with its ever-increasing population of about 4 million is entrapped with the manifold challenges of urbanization like, high level of unemployment, shortage of housing, congested living conditions of slums, inadequate sanitation, etc. In 2004, attempting to address these urban challenges, the city government launched the Grand Housing Project with specific objectives of regenerating slum areas, development of Micro and small enterprises (MSEs) and consequently create large number of employment, promotion of cost efficient housing construction technology, provision of decent affordable housing & insuring tenure security through ownership. Unlike many other programs and proposals envisaged only to remain on paper, the grand housing program got the chance of reaching the stage of implementation due to the high commitment of the local government.

To this end, the city government of Addis Ababa established the new Housing Development Project Office under the city government administration and lead by board of directors to execute the grand housing program. The cabinet of the city

decided to allocate the largest share of annual financial budget to go to the project office. The annual budget allocated for the year 2006/2007 was Birr 1.2 billion (about 135 million USD). The board of directors is assigned by the mayor of the city consisting of members and higher officials of Federal Ministry of Urban Development & Works, the City Manager’s office, Commercial Bank of Ethiopia, Land Development and Administration Authority, Water and Sewerage Authority, Finance and Economic Development Bureau, Micro and Small Enterprises Development Office, Justice Bureau and the Addis Ababa Integrated Housing Development Project Office. The combination of all these organizations, which are the major stakeholders of the project activity, is thought to be serving the cause of the project directly in making decisions in an integrated manner. The Addis Ababa Integrated Housing Development Project Office, established and assigned by the city government as an implementing body has the following structure;

Fig.1 Organizational structure of Addis Ababa Housing Development Project Office



The implementation of the first grand housing development project play an essential role in creating feedback mechanism for evaluation and observation of various integrated smaller projects laying foundation not only for future improvement of the original plan but also became a national program and replicated to 33 other cities of the nation under the national integrated urban housing development plan. So far, in the grand housing project 32,378 housing units are at its final stage of construction.

Apart from this the spread effect of the project has managed to establish 1,566 MSEs in various activities of the construction industry, generated about 38,000 skilled, semi-skilled & daily labour employment opportunities and created various opportunities for capacity building in the form of on job trainings for technical and vocational training institutes (TVET) & professionals engaged on the project. The Integrated Urban Housing Development Project of Addis Ababa has continued its second phase of the overall four-year plan of producing 200,000 housing units by launching the construction of 33,000 housing units within the city in May 2007.

3 Shelter Problem Identification

The trend of population increase of the city with an annual growth of 3.3% (FEDB, 2006), due to both rural-urban migration and natural growth, lead to an inevitable horizontal expansion the city. The sprawl development eventually demands new infrastructure works investment such as; extension of roads, basic services of water, telephone and electricity power supply, Sewerage treatment, transport network, etc. This kind of development will also require various types of social services like educational and health facilities, policing and other municipal services located within the neighborhoods to ease the difficulty of accessing these facilities. These new development activities and services require considerable amount of public investment, which usually turns out to be insufficient, and not included in priority list of budget allocation plans. However, the consolidated and saturated inner part of the city, housing the majority of the urban poor along with the concentrated business activities and services, is in no condition to be considered as a better place to live and work. These places; with dilapidated structures, overcrowding and inadequate infrastructure services have become slum areas for decades without improvement and are mostly beyond the point of repair. Global and national information indicate that the level of slum in the city is much worse than in most developing nations. The lack of basic infrastructure coverage of the city compared to other cities is at a higher level, 85% in Addis Ababa, 70% in Dar Selaam, and 40% in Mexico City (*Action Planning for Cites, Nabeel Hamdi, and Reinhad Geothert*). More than 80% of the urban area is categorized as slum, (UHRLI, 2005). About 40% of the housing stock of the city is rental dwellings owned by local and central government, which are confiscated three decades ago and remained without maintenance. Close to 97% of

the dwellings are of single storey, about 82% of the housing units are constructed by mud and wood structure and 67% of total housing units lack toilet facility (FEDB,2006). These figures and facts portray the general condition of living in most part of the inner city.

Despite the inevitable and intricate challenges, containing urban growth and development in the inner city, where the urban problems persevere most, is a daring effort to be made but advantageous in many aspects. Among which, effective utilization of valuable inner city urban land with proper density, avoiding eviction and maintaining the social network and livelihood, revitalizing the area as well as the city economy, improve the image of the cityscape, etc. The integrated urban housing development program of Addis Ababa, with its potential opportunity of the full-scale support and considerable budget allocation by the City Administration, the Federal Government, the Commercial Bank of Ethiopia and other financial institutions could boost the revitalization of the inner city through collaboration of 2private developers, the community and other stakeholders.

To this end the shelter problem identified in this paper is how to exploit the opportunity created by the large scale urban housing development scheme within high value locations of the city, and at the same time retain the urban dwellers in these inner city development areas without disrupting their livelihood and long established social network, which they very much depend upon.

The challenges encountered during the implementation of the first phase of about 32,000 housing units project generated valuable lesson to be considered in the next phases to be executed, particularly within the inner city. Unfortunately, the second and third phase of the project did not continue in the inner city to be able to see the faults corrected. Instead, the projects are pushed away to the out skirt of the city due to lack of vacant land at the inner city and apprehension to the challenges of revitalization. Moreover, this paper will highlight the advantages of inner city renewal and recommend an inclusive and participatory approach of inner city integrated housing development, against the continuation of the program at the periphery.

4 Proposal for Change and Improvement

The main objective of this proposal is to amalgamate the opportunity of the large-scale housing development project with the long overdue inner city revitalization through an inclusive and participatory approach. And the following are identified as specific goals, which are to be achieved during the course of implementation;

- To improve considerably the dilapidated living condition of the inner city dwellers through the provision of new and better housing. The improvement in shelter situation shall also incorporate the improvement of infrastructure within the area.
- To create sense of security to the inner city dwellers who lacks formal ownership status and provide a chance to acquire an asset.
- To maintain and uplift the livelihood of the inner city low-income dwellers.
- To maintain the existing social network
- To provide incentives and efficient service delivery for the potential private developers to encourage investment in the proposed area
- To use the opportunity to change the image of the city
- To use the scarce urban land economically
- To create various public forums and empower the major stakeholders in the development process.

The later however, are the short-term goal and is the focus of this paper to start the implementation and go forward to achieve the long-term goals. The proposal will focus on establishing and increasing the level of participation of all stakeholders, particularly the direct beneficiaries, the community living within the proposed project areas and potential developers. The participation shall start at the planning level and various floors of discussion, sharing ideas and interests, debating on issues shall be provided and updates and improvements will be incorporated in the preliminary proposals provided to the public. In the end, this process intends to empower the direct beneficiaries and the potential developers of the proposed area to own the project, involve in the process of implementation and monitor each activity.

SWOT – Inner City Housing Development

Strength	Weakness	Opportunity	Treat
<ul style="list-style-type: none"> ▪ The focus given by the National Urban Development Policy on The Integrated Urban Housing Development program ▪ High commitment of local and central government on the project ▪ The advantages inner city renewal has over the expansion area development in terms of urban poverty reduction ▪ Compliance with the structure plan inner city renewal proposals 	<ul style="list-style-type: none"> ▪ Lack of clear & updated compensation and relocation regulation ▪ difficulty in accessing financial institutions for the urban poor ▪ lack of capacity in PPP approach ▪ lack of organizational setup and capacity to manage the inner city revitalization ▪ lack of inner city vacant land and housing for temporary replacement ▪ lack of appropriate collaboration with certain stakeholders at the required intensity 	<ul style="list-style-type: none"> ▪ The budget allocation for the project by the local government and agreement with local banks ▪ Trend of readiness of the community to benefit from such development ▪ The focus of national and central government on housing development as well as inner city renewal ▪ The focus of international agenda (MDG) ▪ The fact that open land at the outskirts is rapidly becoming scarce ▪ Availability of previously prepared preliminary urban renewal studies 	<ul style="list-style-type: none"> ▪ the low level of community participation in government projects ▪ the lack of temporary relocation housing ▪ the lack of willingness and capacity of certain collaborators

Methodology

The general methodology of the study is based on a participatory planning approach, in which this paper will provide the initial proposal and background of the project. This approach will enable the realization of the proposal by empowering all stockholders, particularly the direct beneficiaries, starting from the planning process to the implementation phase, creating a sense of ownership to the project. Since this study is based on an actual large-scale on-going housing project. The scope of this study will focus on a proposed pilot project area of the inner city to be selected with the following pre-defined selection criteria (to be elaborated later).

- Inner city area with dominantly rental houses administered by kebele²
- Area designated by the structure plan as strategic investment area
- Neighborhood with high level of tenure insecurity
- Area with high potential of development attracting private developers which can collaborate with the project
- Area with minimum challenge of infrastructure development

The careful preparation of planning and formulation of implementation strategy of inner city housing development is crucial part of the process to guarantee the success of the pilot project and thus to create the envisioned long term spread effect. To come up with a workable strategy, the most crucial part is to involve the community of the proposed project area and the potential developers along with various stakeholders and collaborators at different stages of developing the strategy, planning and implementation phase as well. This proposal is thus emphasizing to make the intentions public and create awareness through a sequence of dialogues, workshops exhibitions, public debates and continuously updating the proposal and the preliminary implementation strategy, until a consensus is reached among the major stakeholders is reached before the actual implementation takes place. The final stage of this proposal will be to empower the direct beneficiaries of the urban renewal project area, the community living within the area and the potential developers to actively participate and monitor the implementation of the project.

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² Kebele is the lower level of administration next to sub-city and city level hierarchy

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