

The Impact of Land Delivery System on Housing Development for Low Income Groups (The Case of Hossana Town)

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Abstract: *This study was conducted on: The impacts of land delivery system on housing development for low income groups in case of Hossana town municipality. Based on the objective of the study, five research questions were developed. Thus, the first question is used to understand the process of land delivery system. The second question is used to understand the major impacts of the current land delivery system on the housing development, especially to the low income groups. The third question is used to identify the major challenges of land delivery system on housing development for low income groups. The fourth question is also used to know the gap between the demand and supply of residential land in Hossana town. The last question is used to answer what are the possible strategies and policy options to adopt and improve the land delivery system on housing development to the low income groups. The paper uses descriptive type of research and employed the rule of thumb method of sample size determination. Both primary and secondary data were used. Closed-ended questionnaire data were analyzed using descriptive statics through SPSS and Excel Software while data from open-ended questions, interview and document reviews were interpreted qualitatively. Based on the analysis the researcher found that the land delivery system and management practice of Hossana town municipality is generally recognized as poor and negatively impact the housing development, and the low income groups due to many reasons. Among others the municipality has no proper land development, delivery and management system; lack of skilled human power, management emphasis, and adequate legal framework and shortage of land supply are the major problems in Hossana town. Thus, it results in violation of structural plan, informal settlement and land speculation. Lastly, the researcher recommended that the municipality should work on land development, delivery and management process, capacity building for officials, follow up the*

problems of land speculation and informal settlement.

Key words: *Land Delivery, Housing Development and Low Income Groups.*

“1. Introduction”

The expansion of urban centers has resulted in shortage of the supply of land and leads to a number of problems including substandard housing conditions, overcrowding of households, inadequate and unreliable infrastructure and services (Tibaijuka, 2009). Studies have shown that a growing number of urban dwellers have limited access to land and then to inadequate housing, transportation, water supply, health and education services in countries like Burkina Faso, Tanzania, Kenya, Ethiopia, Sierra Leone and Somalia to mention a few. In this connection, the inadequacy and substandard nature of urban housing has spawned squatter or informal settlements, slums and backyard shacks (UNDP, 1996). Today, the global number of slum dwellers is now close to one billion (UN-HABITAT, 2003). The urban housing crisis has mainly been attributed to rapid urban population growth, a product of natural increase and rural-urban migration, resulting in the suffocation of central and local government resources to meet the housing demand (Chaeruka and Munzwa, 2009). There is a need to fully understand this urban housing dilemma and land delivery system in Hossana town.

Adequate supply of land is generally recognized as a prerequisite for sustainable housing delivery system. However, it has been observed that access to land for housing development in urban areas in many developing countries is becoming highly problematic with each passing day. In most African countries, urban land has increasingly become a commodity to be acquired and sold to the highest bidder. As a result of this, majority of urban residents are forced to live in slums and squatter

settlements characterized by lack of secured tenure, basic services and general poor housing conditions, which are inimical to human, physical and economic development (Oruwari, 2006; Hall, 2007).

Due to the unbalanced income distribution and growth and financial constraints, it would be very difficult to address the housing need of the poor in towns of developing countries including our country Ethiopia. Furthermore, urban land supply has been limited by extensive public ownership of land and unclear land transfer procedures, complex procedures of urban planning and unclear responsibilities among public agencies. Limited land supply will cause the prices to increase as well (Belalchew, 2010). Therefore, because of poor land delivery system for housing the above problems are happened in Hossana town and other problems like informal settlement, inadequate administrative and technical capacities, widespread illegal practices and corruption, and eroding the plan of the town are the problems.

“2. Objectives of the Study”

2.1. General Objective

The general objective of this research is to assess the impact of land delivery system on housing development for low income groups of Hossana town and to suggest possible and alternative solutions for the problems of land delivery system of the municipality.

2.2. Specific Objectives

To achieve the general objective of the study, the following specific objectives are set:

- To study the existing land delivery system for housing development especially to the low income groups in Hossana town.
- To evaluate the impacts of the current land delivery system on housing development especially to the low income groups in Hossana town.
- To identify the main challenges of the land delivery system on housing development for low income groups in Hossana town.
- To identify the relationship and the gaps between demand and supply of land for housing development, in Hossana town.
- To forward possible recommendations to those who are concerned about it.

“3. Review of Related Literature”

3.1. Urban Land Delivery System in Developed World

In Ukraine, conditions for efficient functioning of market institutions (land exchanges, land banks, land auctions etc), which should facilitate development and functioning of the secondary land markets, are not created, clear and accessible information on land plots, their value, their market history (information on time value of land plots) and restrictions on their use are absent. Lack of a clear, publicly accessible system for managing market transactions is another great disincentive to investment in land. Potential investors are more concerned with the existence of a reliable, stable and transparent structure than with the specific nature of property rights (*Ann Louise Strong, 2003, p.186*).

3.2. Urban Land Delivery System in Africa

In Kenya and Namibia, case studies confirm that neo-customary land delivery systems are responding increasingly to the demand from middle and low-middle income groups, which have no access to public land and housing development projects. They are less and less effective in reaching poor people in urban areas, especially in contexts where neo-customary practices are recognized (Ghana and Uganda) tolerated and streamlined by inclusive administrative practices (Benin) or not recognized (Cameroon, Senegal). Alternatively, the poor will settle in customary claimed land in areas unsuitable for urbanization near cities, or in neo-customary development located in the outer periphery of cities, thus accelerating urban sprawling (Kalabamu and Morolong, 2004).

3.2.1. Channels of Land Delivery for Residential Use in African Cities

a. Purchase of Land through the Market

Purchase of land through the market was the most important means of accessing land for housing for all income groups. In Kampala, colonial and post-colonial changes in the land tenure system left both owners and tenants of *mailo* land with rights to substantial tracts of land that have subsequently been subdivided and sold (Kalabamu and Morolong, 2004).

b. Delivery of Customary Land through State-Sanctioned Channels

However, acquisition of land by the Boards for allocation is hindered by disputes over the level of compensation payable to customary rights holders. Therefore, demand exceeds supply, encouraging customary rights holders wishing to sell and prospective acquirers to seek ways around the system, and tempting Board members to favor those with something to offer (Carole Rakodi, 2004).

As in all the other channels of land delivery studied, disputes are normally resolved at local level between neighbors or families. When, relatively rarely, they cannot be easily settled, they are resolved by the Land Board and, if necessary, taken to the Land Tribunal (UN- Habitat, 2004).

c. Delivery of Land through Customary Channels to Members of the Group

In Gaborone, it is also significant in the peripheral parts of the built-up area. However, strictly it is prohibited and so sellers and buyers alike disguise it as 'inheritance' (Nkurunziza, E., 2004). Thus, the sale of customary land contributes a significant volume of plots for housing development in many cities, and those acquiring plots through this channel have confidence that they have de facto security of tenure. The social institutions underpinning this system are widely understood and generally respected, including by the formal legal system, which often accepts letters of sale and written agreements as valid evidence of a transaction (Leduka, R.C., 2004).

d. Self-Allocation

This strategy provides one of the few ways in which poor households can obtain access to land for free, but it has problems from the point of view of both settlers and the government. The land is officially in government ownership, so not only is settlement forbidden for environmental reasons, but also, if the initial area claimed is later subdivided and sold, these sales are illegal (Leduka, 2004).

3.3. The State of Land Delivery System for Housing Conditions in Ethiopia

Despite its long urban history, Ethiopia remains one of the least urbanized countries of Sub-Saharan Africa (SSA). In 1994, Ethiopia's urban population stood at 9,019,000 accounting for 15 percent of the total population (CSA, 1998a). In the urban areas, shortage of housing is one of the major problems that call for immediate action. The majorities of houses in Ethiopia are below qualitative standard and lack adequate space. All these will continue in

the future unless major improvements are made in the housing markets and in the expansion and improved provision of infrastructure and services (PADCO, 1998).

During the Imperial era, urban land and housing was largely the property of the feudal elite. At this time, more than 60 percent of the residential real estate's were rental PM 25,130 units. In this situation, widespread speculation by landlords and housing suppliers led to increasing land prices and little investment in new dwelling units for low-or-middle income households (PADCO, 1998).

Following the 1974 revolution, the Derg adopted a command system to economic production and provision of public services. The primary instrument for implementing the Derg's housing policy was the proclamation on government ownership of urban land and extra houses (Proclamation No. 47/1975), which effectively eliminated private sector rental or sale of real estate development. This legislation nationalized all urban land and housing units not occupied by owners. To encourage the development of the cooperative system, the Derg intervened with a wide range of incentives. These include the following; land was allocated without charge for the construction of owner-occupied dwelling units, the maximum plot size for cooperative housing was 500 square meters during the 1975-1986 periods, when Proclamation 292/1986 lowered the ceiling to 250 square meters, typical plot sizes over the 1975-1991 periods, however, there were 175 square meters for middle and low-income cooperatives (PADCO, 1998).

The major formal land delivery system for residential housing and investment in Addis Ababa and other big cities is through the lease mechanism. But, in some smaller towns it is on a rental basis. Land is a public property and an individual can enjoy only the use right of land under his/her possession. Thus, the means to acquire legally (formally) a plot of land for housing development, and investment purpose is dependent on the efficiency of the lease policy. Lease proclamation No 272/2002, is the current active law regarding land provision. It includes provisions on how an individual can acquire a piece of land. Under these provisions, land can be acquired through an auction system, negotiation, lottery system and the award system. The Ethiopian constitution (promulgated in 1994), retains state ownership of the land. Article 40; sub-section 3 of the constitution states that land "is exclusively vested in the state and in the peoples of Ethiopia". It further stipulates that, "land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not

be subject to sale or other means of exchange". The land tenure system for urban areas is comprehensively dealt with by the Urban Lands Lease Holding Proclamation No. 272/2002. Under this proclamation Land is allocated through the leasing system. While, the leaseholder of urban land is free to dispose of part or all of the interest by sale or other means of exchange, the lessee of public land is prohibited by law to sell the land or enter into any contract that binds the land (Proclamation, No 272/2002).

3.4. Urban Land Policy and the Practice of Land Delivery System in Ethiopia

Available statistics for many towns and cities in Ethiopia are far from pleasing. In Masha town for example, the number of unregistered plots has remained high (over 98 %) and has been on the rise between 2004 and 2007 although 2008 statistics are encouraging. In other smaller towns such as Abbiy Addi and Nekemte statistics on unregistered parcels of land have however remained comparatively low. Addis Ababa, the capital of Ethiopia is home to at least 30 % of illegal settlements and this trend has been worsening since 1988. It is estimated that more than 70% of Addis Ababa's population lives in slums and the houses are made predominantly from mud and straw (IHDP, 2008).

“4. Research Methodology”

In this study the researcher used descriptive type of research. Both probabilistic and non-probabilistic sampling techniques were employed, the researcher preferred to use both quantitative and qualitative approach on presenting the primary and secondary data. Regarding to Population the entire households who haven't got land for housing or residential purpose in Hossana town, specifically from Gofer-Meda sub city Hetto kebele and from Addis-Ketema sub city Lichamba kebele since 2000 up to 2004 E.C are the proposed Population of the study from which the sample were drawn. The study considered all 115 households of low income groups who haven't got land for housing legally and 40 of the households who already have got land for housing purpose. Then, the two kebeles

were selected purposively, namely Hetto kebele from Gofer-Meda and Lichamba kebele from Addis-Ketema sub-cities. So, a total of 100 and 283 households who haven't got land for housing and who already have got land for housing purpose respectively within that specified period. Therefore, the first target population of the study is all 115 households who haven't got land for housing, and then the target population was divided into two strata based on their respective administrative locations that are into Hetto kebele from Gofer-Meda and Lichamba kebele from Addis-Ketema sub-cities. The sample size was selected using systematic random sampling frame. The researcher also employed purposive sampling technique to gather data and information from Hossana town municipality officials.

To select the sample size from the target population of the study, the researcher employed the **rule of thumb** method of sample size determination that is, if the population size is less than and equal to 1000, it suggests to use 30% of the total population to determine the sample size as: $n=383*30\% = 115$.

Systematic sampling method was used; the sampling interval (K) will be $K= N/n, 383/115 = 3$, where K- is the first households who haven't got land for housing would be selected, N- is the total population and n- is the sample population of the study. The researcher also employed purposive sampling techniques to the households, who already have got land for housing purpose legally or through formal allocation and 4 officials from the town administrations namely, the mayor of the town, the municipality manager, the head of Environmental Protection and urban Land Use Administration Office and the process owner of land department of the municipality.

“5. Data Analysis and Interpretation”

5.1. Response Rate

Hossana town is currently divided in to three sub-cities namely Addis ketema, Gofermeda and Sechduna sub-cities. The study included only two kebeles from two sub-cities of the town. These are Lichamba kebele from Addis-Ketema and Hetto kebele from Gofer-Meda sub-cities.

Table 1: Response Rate of Questionnaires

Questionnaires					
Ser. no	Kebele	Administered	Collected	Not Collected	Response Rate
1	Lichamba	85+20*	82+20*	3+0*	96.47+100*
2	Hetto	30+20*	29+18*	1+2*	96.67+90*
Total		115+40*=155	111+38*=149	4+2*=6	96.57+95*

Note: Who have got land is indicated by (*)

Source: Filed Survey, 2016

5.2. Demographic Data of the Respondents

The socio-economic and demographic characteristics of respondents will be significantly associated with the objective of the study are presented.

5.2.1. Distribution of Respondents by Marital Status

When we sought the distribution of respondents by their marital status the respondents those who were single, married, divorced and widowed accounts 9.40 percent, 77.18 percent, 6.04 percent and 7.38 percent respectively. In this case, those who were married account the largest proportion which was 77.18 percent.

5.2.2. Distribution of Respondents by Their Level of Monthly Income Earned

Since, the study has referred to impact of land delivery system on housing development for low income groups, those respondents participated in this study have their own monthly income. As shown in the figure below, the respondents those who earn monthly income of less than 500, 501-1000, 1001-2000, and above 2001 accounts 12.75 percent, 60.40 percent, 20.14 percent and 6.71 percent respectively. On the other hand, those respondents who earn less than 1000 ETB monthly income accounts 73.15 percent and it indicates that most of the respondents are from the low income groups.

5.2.3. Distribution of Respondents by Their Duration of Stay in the Study Town

When we sought the respondents duration of stay in Hossana town, those who lived less than 5 years, 6-10 years, 11-20 years and above 21 years accounts 9.40, 43.63, 28.18 and 18.79 percent of the total respondents respectively. In this case, majority of those who lived 6-10 years of stay in the town applied for housing land in the municipality and it accounts 43.63 percent of the total respondents.

5.2.4. Distribution of Respondents by Their Sex Composition

When we sought the sex composition of the respondents, the percentage of respondents those who are male accounts 81.88 percent of the total.

The remaining 18.12 percent of the respondents are female. The detail is shown in the table below.

Table 2: The Sex Composition of Respondents

Ser. no	Sex	Frequency	Percent
1	Male	122	81.88
2	Female	27	18.12
Total		149	100

Source: Filed Survey, 2016

5.2.5. Distribution of Respondents by Their Level of Education

As we observed from the table below, 3.36 % are those who can't read and write, 6.71% completed primary level of education, 12.08% completed secondary level of education, 16.11% are certificate holders, 40.27% are diploma holders and 21.47% respondents are degree and above holders. From the above information, majority of the respondents have joined the higher institutions of the government or private. Generally, this implies that the majority of the respondents were an educated.

5.2.6. Distribution of Respondents by Their Source of Income

Regards to the source of income of respondents collected from the first hand data from the total of 149 respondents; 14.76 percent, 77.18 percent, 4.70 percent and 3.36 percent reported that their source of income are from own business, government employee/salary, private employee and others respectively. As shown above, from the total respondents collected as a first hand data 77.18 or 115 of them were government employees who are attempted to acquire housing land and it indicates that it is difficult to acquired land for housing purpose because, the monthly salary is too minimum.

“6. Results and Discussions”

6.1. Urban Land Delivery System for Housing Development

According to the information obtained from the total respondents, regarded to the question “Do you have land?” it was observed that those who have got land for housing purpose account 25.50 percent of the total respondents. The remaining 74.50 percent of the respondents haven't got land for housing purpose.

6.2. Reason for Not Having Land

Considering the response of the sample households, it appears that the majority of the households have attempted to acquire land for housing construction. However, the response given to the applicants was not satisfactory. As observed from the table below, of the total 111 households who have attempted to acquire housing land between 1998 – 2002 E.C, 0 percent, 54.96 percent, 10.81 percent and 34.23 percent reason out their idea about not having housing land as I don't need to have urban land for housing, land supply by the government is not cop up with land demand, shortage of finance, and poor municipal administration are the reasons respondents set respectively.

6.3. Time Taken to Acquire Urban Land in the Town

Considering the response of the sample households, it appears that the majority of the households have attempted to acquire land for housing construction. As observed from the table below, of the total 149 households who have attempted to acquire housing land between 1998-2002 E.C, (as obtained from the list of the municipality) 12(8.05 percent), 128(85.91 percent), 7(4.70 percent) and 2(1.34 percent) agreed that the time taken to acquire urban land was less than 1 year, 2-3 years, 4-6 years and above 7 years respectively. Generally, to acquire a plot of land for residential housing development in the town one needs to wait a minimum of 2-3 years in which 85.91% respondents stated.

6.4. Openness of the Process of Land Delivery System in the Municipality

Regarded to the process of land delivery system for housing purpose in the town from the total respondents of 149 households 10.74 percent, 73.82 percent and 15.44 percent agreed that the process of land delivery system in the municipality for housing was transparent, not transparent and I don't know respectively.

6.5. Steps and Procedures Applicants Should Pass Through to Get Land

From the total respondents of the 149 households, 44(29.53 percent) agreed that they know the steps, procedures and requirements in which the applicants should pass through to get land and the remaining 105(70.47 percent) agreed that they have no awareness about the steps in which the applicants should pass through to get or acquire urban land for housing purpose.

6.6. The Gap between Demand and Supply of Urban Land for Housing

As we can observe from the table below, 123(82.55 percent) of the total respondents don't agree that urban land supply by the municipality for housing development cop up with the urban land demand for housing development. The remaining 26(17.45 percent) of the total respondents agreed that the urban land demand for housing development cop up with the urban land supply by the municipality. The response of the municipality about the gap between demand and supply will be described in brief way in the next section of 4.5.1.8 and in table 4:18. But, the detail response of respondents is shown in the table below.

Table 3: The Gap between Demand and Supply of Urban land for Housing Development

Ser. no	Do you think that land demand cop up with land supply in the town	Frequency	Percent
1	Yes	26	17.45
2	No	123	82.55
Total		149	100%

Source: Filed Survey, 2016

6.7. Considering the Low Income Groups during Urban Land Delivery

As we can observed from the table below regarding the municipal consideration of the low income groups during the urban land delivery for housing construction; from the total of 149 respondents included in the data collection 8.72 percent, 88.60 percent and 2.68 percent agreed that the municipality considers low income groups during urban land delivery as: yes, no and I don't know respectively.

6.8. Major Challenges That Contribute For Inefficient Land Delivery in the Town

As we can observed the major challenges or constraints for inefficient land delivery system in the town; from the total of 149 respondents, 9(6.14 percent), 32(21.47 percent), 36(24.17 percent), 22(14.76 percent) and 50(33.56percent) agreed that, Poor municipal capacity and coordination, Supply of urban land not cop up with demand, Policy and legal framework related constraints, Long, tedious, rigid and time consuming municipal rules, procedures and process, Criteria and pre-conditions set by the municipality to acquire urban land (financial) are the major challenges for poor land supply and delivery in the town respectively.

6.9. Duties and Practice of Land Development and Management Process

6.9.1. The Practice of Urban Land Holding System in Hossana Town

The land holding system exercised in Hossana town is similar to all the other urban areas in Ethiopia. There is a land holding system of definite time named lease hold system through auction. The respondents did not obtain urban land until 2004 E.C from the government, 10.06% obtain land from the government through formal allocation. 8.72% of the respondents obtained urban land from former land owners through inheritance. 6.04% of the respondents obtained urban land through buying a house and its foundation and 0.68% of the respondents obtained urban land in the town through other meanness. According to the result of the questionnaire survey, for those who are acquired housing land, 34 male and 4 female households were attempted to obtain land for housing. Based on their sex distribution it reveals that the proportion of males 34(89.47%) who have acquired land exceeds that of the female 4(10.53%).

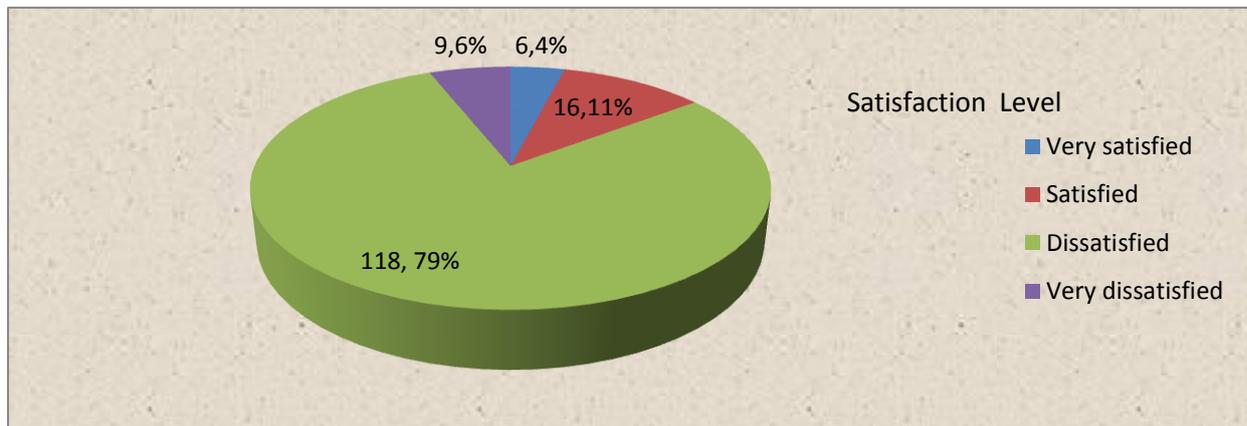
a. Regarding to Housing Construction

According to the result of the questionnaire survey distributed for those who are acquired or obtained housing land, 34 male and 4 female households were attempted to obtain access to housing land and regarded to having their own house 18 (47.37%) of the respondents have constructed their own house but, the remaining 20(52.63%) of the respondents have not constructed their own house. Based on their sex distribution reveals that the proportion of males 16(88.89%) who have acquired land and constructed exceeds that of the female 2 (11.11%).

b. Satisfaction Level on Land Delivery System of the Municipality

According to the result of the questionnaire survey distributed to those who have acquired or obtained housing land and to those who haven't got land for housing purpose, 134 male and 15 female households were attempted to access to housing land. Regarded to the satisfaction level on land delivery system of the municipality, 6 (4.02%), 16(10.74%), 118(79.20%), and 9(6.04%) of the respondents have a satisfaction level of very satisfied, satisfied, dissatisfied and very dissatisfied respectively. As we can see in the figure 4.6 below, 127(85.24%) of the respondents have not satisfied by the land delivery system of the municipality. The detail is shown in the figure below.

Figure 1: Satisfaction Level on Land Delivery System by the Municipality



Source: Filed Survey, 2016

c. Consequence of Poor Land Delivery System Applied By the Municipality

As we can observe from the table below regarded to the consequence of poor land delivery system that was applied by the municipality, from the total of 149 respondents; 4(2.68%), 118(79.20%), 11(7.38%), and 16(10.74%) agreed that the consequence of poor land delivery system that was

applied by the municipality are illegal land transaction, informal settlements or squatting, border conflict, and violation of the structural plan of the town are ranked respectively. According to the above information that has been collected, almost 118(79.20%) of the respondents are agreed that the major consequence of this poor land delivery system by the municipality leads the town to prone to squatting and informal settlements.

d. Evaluation of the Municipality's Weaknesses

According to the result of the questionnaire survey distributed to those who are already acquired or obtained housing land and to those who haven't got land for housing purpose, 134 male and 15 female households were attempted to obtain access to housing land and regarding to the evaluation of the weaknesses of the municipality 28 (18.80%), 82(55.03%), 18(12.08%), and 21(14.09%) of the respondents have evaluated the municipality's weaknesses as poor organizational capacity (man power, technology and others), poor experience of the municipality's workers in land administration,

poor awareness of workers on rules and regulations and corruption in land administration section respectively. 82(55.03%) of the respondents have revealed that the cause for the weakness of the municipality was poor experience of its workers in land administration.

e. The Demand and Supply Gap of Urban Land for Housing Purpose

When we see about the demand and supply of urban land in Hossana town, it is clear that demand of urban land for housing development is increasing from time to time and not cop up with supply. The detail is shown in the table below.

Table 4: Demand and Supply Gap of Urban Land for Housing Purpose for the Past 5 years from 2000 – 2004 E.C

Sr. no	Years in E.C	Total applicants	Acquired	Not acquired	Remark
1	2000	688	498	190	Formal allocation
2	2001	823	623	200	Formal allocation
3	2002	988	236	752	Through lease system
4	2003	1022	-	1022	-
5	2004	1456	-	1456	-
Total		4977	1357	3620	

Source: Hossana Town Municipality Land Development and Management Department, 2016

According to the above table, the demand of urban land for housing purpose has shown progressive increment, the trend in the years 2003-2004 indicate that there was 2478 applicant or demand and 0 amount of supply by the municipality. On the other hand, the trend of land supply has shown stagnant growth. According to the information obtained from the municipality and the data shown in the table above, the demand for residential housing development in the town is high and increased at higher rate while, the potential supply of the town is almost constant. In general, it shows that the land development and delivery system to housing development for low income groups in the town is unsatisfactory and discourages the housing development and encourages illegal settlements. Furthermore, in the town of Hossana, having a plot of land for housing purpose by the low income

groups is not an easy task and the residents are suffering from shortage of finance for residential housing. This condition is one of the causes for the residents to live in sub-standard houses.

f. Number of People or Households who are registered As an Illegal Settler

As indicated in the table below the number of illegal settlers is increased from time to time as in 2000(236 households), 2001(233 households), 2002(398 households), 2003(460 households) and in 2004(588 households). The total number of households who are registered as illegal settlers accounts 1915 and there was an increment of illegal settlers from year to year as indicated in the table below.

Table 5: Number of People or Households Who Are Registered As an Illegal Settler

Sr. No	Years in E.C	Land use type occupied by illegal settlers in the town				
		No of households	Area in sqm	Residential	Commercial	Open space
1	2000	236	7224	232	4	-
2	2001	233	9222	233	-	-
3	2002	398	9998	394	4	-
4	2003	460	12987	459	1	-
5	2004	588	13293	586	2	-
Total		1915	52724	1904	11	-

Source: Hossana Town Municipality Land Development and Management Department, 2016

6.10. Major Challenges or Constraint that Contribute for Inefficient Land Delivery System for Housing Development in Hossana Town

- Poor municipal capacity and coordination: According to the officials of the municipality and the respondents; poor coordination and collaboration among the concerned bodies who are working on land related issues was the main problems and also poor financial capacity of the municipality for compensation and its management system, lack of qualified personnel or skilled man power, weak institutional or organizational capacity and weak or no legal frameworks regarding to supporting the low income groups or the poor.
- Supply of urban land not cop up with demand: As information obtained from the officials and respondents, the land supply performance of the municipality is too low and not cop up with the increasing amount of land demand for housing development in the town.
- According to the municipality process owner and staffs, policy related constraints are also seen which are issued and regulated by the region for management of urban land under the lease system. As per the information obtained from the land development and management process owner and experts of the municipality there is no any written legal framework about how to support the poor or low income groups in relation to land delivery.
- Long, tedious, rigid and time consuming municipal rules, procedures and process in the delivery of urban land for housing and other purpose in the town and highly irrelevant bureaucratic procedures that hinders efficient land delivery system in the town.
- Poor formal land market system since land in formal land market is not easily accessible as in informal one in the town and then there would be increase in the rate of land speculations.
- Lack of security of tenure: It aggravates the demand of land by the people and even someone can get land for more than two and above and leads to land speculation and

shorten the supply of land for others who did not have land for housing purpose.

- As the process owner and experts of the land development and management of the municipality, regarding to the land delivery system for housing construction, they have been elaborated that the existing policy and strategies do not targeted on providing affordable land for housing especially to the low income groups and do not favor them. The strategies set by the concerned bodies are uniform for all income groups of the town.

6.11. Impacts Happened Due To Existing Poor Land Delivery System on Housing Development for Low Income Groups

High amount of mismatch between the urban land demand and supply for housing development in the town aggravates the corridor or ribbon type of urban development and leads to land speculation which is highly seen in Hossana town. This inefficiency of land delivery system in the town causes the residents to live in informal and sub-standard houses. Flourishing of informal and/or squatter settlements without infrastructure and service are hampering formal urban expansion and growth. It causes for violation of the structural plan of the town or poor town planning and it leads to insecure of land tenure and housing ownership in the town. It also Increases land scarcity and land border disputes in the town. The detail impact of poor land delivery system will be seen as follows.

6.11.1. Land Speculation in the Town

According to different literatures, land speculation occurs when the demand of urban land at the present time or in the near future outstrips the supply of land. Land speculation is highly related to several factors both on the demand and supply side which are widely observed in Hossana town. This shows that, poor land delivery system caused by long and tedious process; bottlenecked procedures in provision of secured land are dominantly leads to land speculation in the town by the riches and affect the poor.

6.11.2. Land Tenure

According to the information obtained from the respondents of the town collected the type of tenure is dominantly free hold system. But, in some extent lease hold is practiced in recent years. Concerning tenure problem; according to the municipality and

information gathered from the residents of the town more than 2286 households lack security of land ownership. Especially, the illegal settlers who haven't got land for housing loss the advantage of tenure security and the municipality also loss income from these land and building tax.

6.11.3. Informal and Squatter Housing Condition

Squatter settlements are residential areas which are developed without legal claims or permits to the land from the concerned body or authority and seen in the town. In Hossana town, the high discrepancy between the urban land demand and supply for residential housing development in relation to the income or financial capacity of the residents aggravate the extent of squatter settlements.

According to the information gathered from the municipality land development and management process experts and owner, currently, there are around 915 squatter settlements at the periphery and more than 881 squatters at the center of the town. Majority of the squatters are in North-east and South-west of the town following the major roads pass through from Addis Ababa to Hossana, Wolkite to Hossana and Hawassa to Hossana. Most of the residents are civil servants, farmers and others.

6.11.4. Expansion of Slums Areas

Expansion of slum areas is one of the basic manifestations of inappropriate and unfair delivery and supply of land for housing construction and the case is seen in Hossana town. Mostly they are legal and located at the central part of the town and the areas are characterized by; inadequate supply of infrastructure, basic services and lack of proper circulation.

6.11.5. Overcrowding of Houses

Condition of overcrowdings of housing in the town is worse and in such crowdedness, it is easy to estimate the extent of sanitation related health hazards and social discomfort.

6.11.6. Environmental Problems

As a result of poor housing condition, housing shortage, extent of squatter settlements and slums in the town, the lives and health of residents is affected. This situation is aggravated by the existing poor sanitation and infrastructure supply in the town. High prevalence rate of communicable diseases which emanated from environmental

impacts are another major consequences of housing problems in the town.

“7. Conclusions and Recommendations”

7.1. Conclusion

Most of the problems of land delivery system for housing development have been aggravated by the rising of population in number (especially the low income groups), poor land supply and delivery system, and others create a high gap between the demand and supply of urban land for housing purpose. The magnitude of the gap can be reflected by overcrowded house unit, sub-standard houses, land speculation, squatter settlement and encroachment of urban land at the periphery.

Urban Land Delivery System for Housing Development

➤ Modes of Urban Land Delivery System for Housing Development in Hossana Town

The major modes of urban land delivery system for housing development in Hossana town were through: government formal allocation, illegal occupation, from families through inheritance, buying a house with its foundation and through other means. The majority of the respondents, from 38, those who had gotten the land, 39.47% were through formal allocation and 34.21% through inheritance for housing purpose.

➤ Time Taken to Acquire Urban Land for Housing Purpose

The land allocation or delivery system for residential purpose would take more than 2 years and in terms of time and cost it is inefficient and ineffective. It needs more steps and requirements and leads the applicants to visit the municipality office more than four times. The land delivery process is delayed due to bureaucratic, cumbersome procedures, steps and requirements by the municipality.

A. Demand and Supply of Urban Land for Housing Development in Hossana Town

The demand of urban land for housing purpose increases in the consecutive years and it was largely because of a rapid population growth in the town through immigration and high fertility rate. The number of applicants for housing land increase from year to year. Whereas, the supply of housing land by the municipality is very small and limited.

The findings in this study show that about 4977 were demanded and only 1357 were supplied through formal allocation system by the municipality. Thus, there is a gap of 3620 plots between the demand and supply for the past five years in Hossana town.

B. Factors That are Contributing for Inefficient and Ineffective Urban Land Delivery System for Housing Development in Hossana Town

There were many factors that are contributing for inefficient and ineffective urban land delivery system for housing development in Hossana town. These include, bureaucratic procedures, steps and requirements set by the municipality, shortage of skilled man power, policy related constraints and so on. The existing rules and regulations about the delivery of land for housing is also the main problem for inefficient urban land delivery system in Hossana town for low income groups. The restrictive nature of legal frameworks that do not concern the low income groups, particularly in affordability of housing land is also very difficult.

According to the information gathered from the municipality officials and residents of the two kebeles, the majority of the respondents were agreed that land delivery strategies of the municipality is the main cause for the inaccessibility of housing land for low income groups in the town.

Generally, rapid rate of urbanization, inappropriate set of high standards, rules and regulations marginalize the low income groups not to compete for land, setting of high criteria and pre-conditions to acquire plots of land for housing purpose is beyond the capacity of the low income groups of the town, and low capacity of the town to supply urban land for housing development are the major challenges or problems that are seen in this study.

C. Impact of Inefficient Land Delivery for Housing Purpose in the Physical Development of Hossana Town

Because of inadequate, inefficient, ineffective and non-transparent land delivery system for housing purpose by the municipality, people of the high and middle income groups are forced to obtain land through informal way from the previously allocated or delivered people. As a result, 1904 households were identified and registered as illegal occupier of the government land and it aggravated land speculation as well as violation of structural plan of the town.

7.2. Recommendations

Based on the findings of the study, this section provides the following recommendation and is meant to improve the existing land delivery system of the study area and to bring an efficient, effective and transparent urban land delivery system for housing development in Hossana town. The current land and housing policy, coupled with high growth rate of the town can be taken as among the most causes for miss much or gap between demand and supply of urban land for housing in Hossana town. In addition, human and financial constraints, the tedious and long procedures of land delivery system, rigid building standards and regulations, and the income capacity of the residents aggravate the extent of housing land delivery problems in the town. To mitigate the problems of land delivery system for housing development and to address the low income groups, the municipality of Hossana town should take the following measures:

a. Land Delivery Strategies

The land delivery strategies of the municipality that is based on the pre-conditions set and to be fulfilled by the applicants uniformly should be revised, and the criteria which ignore the low income groups should be revised in a manner to favor or address the low income groups. The land delivery system should be in integration with the town administration to provide affordable land for residential housing effectively and efficiently.

b. The Lease Auction System

The lease system of land delivery, particularly the bench mark price of residential housing land which is 85 birr/sqm should be priorily given to the low income groups, because, someone can give and take the land by paying up to 1000 birr/sqm. Therefore, the competition should be between the low income groups only for specific plots.

c. Efficient Land Information System

The recording and documentation capacity of the municipality is very poor and backward. Therefore, there is a need for efficient and effective recording and documentation should be strengthen through introducing technologies for cadastre purpose to control the problems of record keeping of the municipality.

d. Capacity Building

Hossana town municipality should work on the human resource capacity building and

technological materials. This capacity building and technological materials to be fulfilled by the office is through hiring of skilled man power like urban land developers and managers, urban planners, surveyors and the like. Regarded to technological materials for effective land and landed registration it is very recommended that buying the materials for detail plan preparation and land parcellation is crucial. In addition to this, the existing professionals in the municipality should be built their capacity through short and medium term training or capacity building.

e. Regularization of Squatter Settlements

Illegal settlers should be controlled and prevented through improving the land delivery system for housing construction in the town. Illegal occupiers should be controlled at the beginning to reduce the cost of social, economic and environmental problems by regularizing them in collaboration with the urban administration kebeles of Lichamba and Hetto. The municipality should also properly manage and administer its available land resource to avoid illegal encroachments, and squatter settlements both in the center and periphery of the town.

f. Controlling Land Speculation

Most of the land in the center as well as in the periphery is speculated by the land speculators who are rich and came from South Africa. Therefore, the municipality should control, monitor and follow up the implementation of land delivery system for housing and housing construction according to the building permit to avoid the increasing rate of land speculation.

g. Distributing Condominium for Low Income Groups

As it is seen in the above part of the discussion, it is not affordable to the low income groups and they can't compete with those who are high and middle income groups for housing land through the lease system (auction). To avoid the problems of land delivery system for the low income groups in the town, the concerned bodies should consider this group of people and give a condominium house first to address the problems related to land for housing development.

h. Encourage Efforts on Self-Built Houses

Encouraging efforts to improve self-built houses through providing better access to housing

resources like land, adopt flexible building standards which consider the urban poor, promote and permit the use of low cost building materials or local materials in housing schemes.

i. Allocate Appropriate Budget

The town administration and other concerned bodies should give due attention in the allocation of appropriate budget for the construction of affordable mass house or condominium and consider the urban poor or low income groups during distribution of a house by the town administration.

j. Review Restrictive Exclusionary and Costly Legal and Regulatory Process

The government body should review restrictive exclusionary and costly legal and regulatory process, planning system standards and development regulations relevant to the low income groups regarding to their affordability and financial capacity in making land accessible to them. The regional and zonal government of Hadiya should apply transparent, comprehensive and equitable incentives as a mechanism for the most urban poor or low income groups to stimulate the accessibility of land for housing development.

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