

WHO ARE THE POTENTIAL CUSTOMERS OF REAL-ESTATE BUSINESS IN ETHIOPIA?

Dakito Alemu

Head, Accounting & Finance Program Unit, School of Commerce, CoBE, Addis Ababa University, Nigeria

Received: 12 Mar 2021

Accepted: 17 Mar 2021

Published: 31 Mar 2021

ABSTRACT

Real estate refers to land and everything created for good a region there from, and therefore the nature and extent of one's interest there in. Real estate may be acquired, owned and conveyed (or transferred) by any legal entity as determined and outlined by law. The essential question is who are the prospective customers that can afford and willing to buy houses developed by real-estate business? Thus, the objective of this study was to explore the potential customers for newly established real-estate business in Ethiopia. In order to address the research question under study, data were collected by review of connected literature and documents like proclamations, regulation, directives and plan and procedures were used. The finding shows that, watching the government policy/plan and also the existing real-estate firms market segmentation, for brand spanking new comer to the industry of housing construction/ real-estate it's better to segment their market to deal with the middle income group like associations and members of various clubs, which takes the lion share (50 %) of the entire house demand in the country. On the other hand, since most of the existing real-estate firms in Ethiopia engaged mainly in the residential building construction, for brand spanking new entrant, in top of developing residential building it's also better to think about commercial building.

KEYWORDS: *Customer, Demand, Supply, Housing, Real-Estate Business*

INTRODUCTION

Ethiopia is the second most highly settled country in Africa with associate degree calculable population of one hundred ten million individuals (World Bank cluster, 2019). Though Ethiopia was thought-about one in every of the smallest amount urbanized countries on the continent, this has been chop-chop dynamic. The speed of urbanization, that was 5.8 % between 2007 and 2012, is calculable to be 5.1 % within the amount between 2012 and 2037 (IBID). Major cities like Addis Ababa, Adama, and Hawassa have noted growth rates of 4.5 %, 8.3 %, and 8.9 %, severally. These growth rates mean that the country can move from associate degree urbanisation rate of 20.4–22 % recorded in 2017 to a projected thirty-eighth by 2037. Urbanization may be a development that is determined everywhere the globe weather nation is developed or developing. Ethiopia's cities are characterized by very little formal designing, associate degree organic road network and widespread informal housing. In theory it's assumed that, housing is one in every of the 3 most indispensable human wants.

The accumulated variety of housing need in Ethiopia mainly in Addis Ababa, the capital town, has become a challenge. As an answer for the larger housing demand, completely different housing approaches and policies are introduced by the govt., like integrated development program (IHDP). The IHDP is that the outstanding current approach of the Ethiopian Government to unravel the housing challenge to low and middle-income sections of the society notwithstanding it's not effective as meant. For over a century the chop-chop growing, Ethiopian capital has been

unable to produce each adequate and enough housing, significantly for its low and middle-income voters. Reflective Addis Ababa's general housing history, a series of studies conducted in accordance with Addis Ababa's programmed revision throughout the first 2000s, declared a vast shortage of housing units – preponderantly for low-income residents – and a typically poor condition of the present housing stock. Over ninety fifth of total housing units were known as single-story shelters, showing substantial deficits relating to sanitation, cooking, and private hygiene facilities (Paul Dorosh & Emily Helmut Heinrich Waldemar Schmidt, 2010). Such couple between provide and demand for housing in Ethiopia could produce a chance for private sector interested to hitch the important estate business, significantly construction of homes. In keeping with World Bank 2019 report, the important estate trade in Ethiopia is under-developed, with terribly restricted skilled standards or practices. Reliable, broad and current info regarding land transactions is missing, that constrains rational deciding regarding property market transactions.

Compared to the sub Saharan African countries, Ethiopia displays one in every of the utmost levels of urban population living in informal settlements (World Bank, 2015). The demand for brand spanking new housing so much surpasses the pace of housing provide within the country. Currently, the unmet housing demand is calculable at more or less 1.2 million. The government's IHDP makes the most important role to the housing stock within the country, followed by in camera engineered homes by people. Still, the important estate sector is in its infancy stage and therefore contributes very little. In keeping with World-Bank 2019 report on housing, still the relative success of the IHDP, it's time that the Ethiopian government transforms its role from dominant housing delivery to sanctionative the market to deliver at scale by encouraging non-public sector to participate. Hence, eliminating binding limitations facing the non-public sector on either side of the housing price chain may be a key a part of a market-enabling approach. The govt. policy conjointly encourages land developers through the facilitation of developed land, strengthen the system for making certain property rights, supporting the developers to utilize native materials, promoting and establish opportunities of dialogue for property determination issues and encourage the investors. In keeping with the investment proclamation no 769/2012, the commercial enterprise is open for each native and foreign investors therefore on satisfy the rising demand for housing throughout the country.

Real estate refers to land and everything created for good a region there from, and therefore the nature and extent of one's interest there in (Encarta Reference Library, 2006). Ethiopian government ought to introduce reasonable housing needs and strengthen existing incentives for developer engineered reasonable housing (World-Bank-Group, 2019). Each foreign and native investor ought to be inspired to interact within the market. Permitting foreign investors to make joint-ventures with native real-estate developers or builders can offer technical capability, external capital and accumulated output. The value of homes in Ethiopia generally and in Addis Ababa is dramatically increasing and thereby the come on investment of real-estate businesses.

As per Access Capital report, a number of the lower-priced neighborhoods, like Alem Bank and Piper betel, have rental yields that a solely within the 4-5 % vary, that is basically clone of what associate degree capitalist will earn (without any risk) from keeping his/her funds during a native monetary fund. At identical time, returns are greater than or equal to 10 % for higher-priced neighborhoods like Bole which is twice greater than bank deposits (Access Capital, 2010). In general, the investment return on the real estate business is plausible and projected to increase in the future as long as demand for housing dramatically increasing overtime. However, there were no specific studies that investigate the potential

buyers of real-estate businesses in Ethiopia. Therefore, the objective of the study was to explore the potential customers for new entrant in particular and private real-estate firms in general.

METHODS AND MATERIALS

In order to address the general and specific objectives of the study, the researcher used both primary and secondary data. In order to collect secondary data, the study employed review of related literature and documents such as proclamations, regulations, directives and policy and procedures/plans issued by different government organs.

RESULTS AND DISCUSSIONS

Data on the housing supply on a year-on-year basis is scarce, and small data is offered regarding the various styles of housing units constructed annually. The estimated rate of annual housing supply (flow) is about 165,000 units nationwide between 2007/2008 and 2013/2014. This can be outpaced by the estimated demand of 471,000 and 486,000 units p.a. till 2025 and 2035 respectively. IHDP could be a large-scale approach to addressing the present housing shortage. But it's criticized for its failure to satisfy the resident's need and expectation ranging from design till the implementation or delivery stage. On the opposite hand, estimates from the Welfare Monitoring Survey (WMS) and Household Income and Consumption Expenditure Surveys (HICE) 2016 survey which indicates that approximately 72 % of households in large cities sleep in dwellings constructed out of "wood and mud" (chika). Informally-constructed housing dominates the housing stock. Access to services in informally built housing is worse than in other housing options, which is particularly true of informally constructed dwellings on the urban periphery. A study conducted in 27 cities in 2014, showed that the IHDP supplied the foremost houses (52 %) followed by informal house building (31 %), individual self-built housing (2.5 %), realty (0.3 %) and municipalities, 0.3 % (World Bank, 2019). Of course, the contribution/share of real-estate within the overall housing stock/supply in national capital (4 %) is far greater than that of its share nationwide (0.3 %).

Cooperatives have historically been the mainstay and first kind of non-government formal housing, although support has waned in recent years. Between 1996 and 2003 UN Habitat estimates indicate that 28.2 % of Addis Ababa's total housing stock is created from cooperatives, while the World Bank put it at 50 % of the formal housing stock. However, rough estimations from the World Bank's spatial analysis and household survey combined with WMS and HICE 2016 estimates show that the share of housing made up by cooperatives has likely dropped. Many cooperative housing is found in Addis Ababa's peripheral areas. Cooperatives, nonetheless, primarily serve middle-income and upper-income groups. Additionally, cooperative housing tends to be of a sophisticated quality, with superior quality building materials and greater access to basic services compared to the other kind of housing in Ethiopia. Although proper policy attention isn't given, Ethiopia's rental housing market is large, with many secondary dwellings on existing plots filling the provision gap. Supported the WMS/HICE 2016 survey, the bulk of households in large cities across Ethiopia are tenants. Tenants in large cities constitute 59.8 % of households (this figure includes 20.4 % kebele and government rentals), while owner-occupants constitute 32.6 % of households. Additionally, estimates show that up to 19 % of households in national capital, Adama and Mekelle farm out a space in their dwelling to a different household.

Table 1 shows As presented within the above table, the share of households that pay rent has progressed significantly to 13.4 % overall. The size of individuals who board rent-free accommodation has however reduced from 8 percent in 2011 to a few in 2016. There is a major difference between rural and urban area in terms of ownership. Most,

94.3 %, rural households live in their own houses but only 39.7 % of urban people live in their own houses. Non-government constructed formal housing stock makes up a bit percentage of the housing stock compared to the formal units constructed by government entities. As per Ministry of Urban Development and Construction (MUDC) estimates, individually constructed formal housing, cooperatives, and housing constructed by private land developers frame approximately 18.3 % of the complete housing stock across Ethiopian cities. The low share of housing supplied by formal land developers (0.3 %, country-wise) is reiterated by an IBRD assessment of housing from 2005, which estimates that land contributes approximately 1.3 % of the formal housing stock in capital. Currently, housing constructed by private real-estate developers' likely supplies the richest families as formal housing sits at the best of the household consumption level and housing affordability pyramid (World-Bank Group, 2019). This shows the actual fact that the globe needs the involvement of the private real-estate businesses.

The extent of the necessity for social services and infrastructure like housing depends, among others, on the dimensions of the population and its rate. The population of national capital will reach not but 4.4 million at the top of the plan period, 2027 (Lia, 2017). Since urbanization is inevitable mainly in light of the transition the country is making from a primarily rural towards an urban-based economy, one in all the direct challenges is “how to produce reasonable and suitable housing within a liveable environment”. As presented within the table below, in 2019, urban population for Ethiopia was 21.2 %. Over the last 50 years, urban population of Ethiopia grew substantially from 8.6 to 21.2 rising at an increasing annual rate that reached a maximum of 2.44 % in 2008 then decreased to 2.23 % in 2019. Housing tricky is more prominent in urban areas than in rural areas. Thus, urbanization can result in the rise of slums, informal settlements, insufficient housing and homelessness if not managed properly. Urbanization in Ethiopia is growing and estimated to triple, with urban population projected to achieve 42.3 million by 2037, the UN Economic Commission for Africa (ECA) revealed in 2019. Such growth in urbanization within the country generally and in national capital particular has been creating housing deficit.

Table 2 shows Addis Ababa's housing sector has been a time-honored challenge. For over a period the speedily growing Ethiopian capital city- national capital has been incapable to supply both adequate and enough housing, particularly for its low income inhabitants. Reflecting the city's general housing history, a series of surveys conducted in accordance with Addis Ababa's programme revision during the first 2000s, declared an infinite deficiency of housing units – predominantly for low income residents. Over 95 % of total housing units were identified as single-story housings, showing significant shortages regarding sanitation, cooking, and private hygiene amenities. As per Lia 2017, the demand for housing during the national capital planning period (2017-2027) is forecasted taking under consideration six important variables, namely the:

- Existing stock of houses,
- Population growth,
- Backlog of houses,
- Dilapidation,
- overcrowding,
- Conversion and contingency.

More Specifically These Variables Refer To:

- the number of housing units currently in use,
- housing that will be needed to accommodate new family formation (which is a function of population growth),
- housing units to be constructed to meet the current backlog,
- housing units to be demolished due to their dilapidation,
- housing units that will be needed to address overcrowding,
- Housing units that will be converted into other uses, and contingency.

Thus, considering these elements/factors, the full number of housing units that must be built during the ten years within national capital is projected to be 1,172,195, which is approximately 1.2 million houses (Lia, 2017).

On top of estimating the magnitude of housing requirements, an important question to ask is “how to build 1.2 million housing units up to 2023?” Part of the answer to the question rely in appreciating the government’s position towards housing as specified in its policy documents such as GTP-II, the broader national urban development policy and the more specific housing policy. The general direction that is stipulated in these documents focuses on the following five “guiding principles”:

- affordability,
- social mixity,
- compact development (vertical development rather than sprawl) and strong government intervention in the delivery,
- improvement of quality of housing stock and Living environment through upgrading and renewal, and
- Linking employment creation efforts with housing programs.

Table 3 shows On the basis of these positions; Addis Ababa City Plan (2017-2027) has developed five goals and specific strategies to achieve each goal. One of the goals is increase the housing stock in the city with particular focus on affordable housing. The Plan adopts two types of strategies: the first one is associated to the production of inexpensive houses. The share of the low income group which represented 80 % in 2002 has declined to 66 % in 2012 and is expected to go further down to 35 % when the country achieves the middle income status by 2023 (Lia, 2017).

Table 4 shows Demand for formal housing is strong, as demonstrated by the extraordinary subscription rates for IHDP and other government housing, and also the exciting rental and secondary markets within IHDP blocks. Many IHDP beneficiaries lend their units. Results from the globe Bank Housing Survey indicate that there's a significantly higher proportion of personal tenant households (53 %) versus owners (41.6 %) in IHDP compared to the other variety of housing. the massive demand for formal housing is additionally proved by the premium households are willing to pay money for an IHDP unit on the secondary market. Households pay over five times greater than the initial prize winner when buying an IHDP unit. Government policy and involvements in recent years have focused on ownership and IHDP. Over 383,000 condominium units are constructed and disseminated under IHDP between 2004 and 2017/2018. Despite the speed at which houses are being built and transmitted to

owners/buyer, supply is incapable to fulfill demand. IHDP's impact in terms of number of units built is critical, but sources indicate government's ability to provide roughly 25,000 to 35,000 housing units at a maximum per annum means it's incapable to handle with demand, which was estimated at 1.2 million in Addis alone between 2013 and 2023. Provided that between 2004 and 2016, 280,000 houses were transferred, 28 % of the demand, or simply over 2 % every year, has been met (World-Bank Group, 2019).

Real estate sector in Africa has been experiencing a robust growth. Currently, 400 million African people sleep in urban zones, which are 40 % of the population; it had been 3 % 50 years ago, and it will be 1.2 billion in 2050 (60 %). Finding a home for his or her family is also a necessity for folk, and an obligation for the African government. The African diaspora represents quite 30 million people worldwide. They send 40 billion dollars annually to their native country. This money is typically used for emergency help for families, but also for investment: land is that the primary investment item of the diaspora that takes to heart owning an accommodation in their home country. The speed of urbanization is directly regarding the demand for houses. It's expected that as a country becomes more urban, more houses are visiting be needed to accommodate the increasing population in urban centers. The practice, however, doesn't support this therein the acceleration in urbanization isn't amid the provision of adequate affordable housing. This is often often one of the reasons for the event of informal settlements, which give housing to most low-income groups (UN-HABITAT, 2002). Hence, if real-estate developers aggressively engage in housing business, they'll maximize their market share through the economies of scale. Similarly, following failure of the govt to delivery its 40 / 60 condominium projects on time, which is claimed to possess targeted customers within the center income category as compared to those in 20/80 and 10/90, things is claimed to possess created a plus for private developers, real-estate. The govt has failed to honor the contract it's entered into by providing the homes even for the one-hundredth of the that have met the whole payment requirements for 40/60 housing package.

On the opposite hand, demand for residential houses in Addis Ababa has continued to rise over the past few years. More Ethiopians are relocating to town putting pressure on the govt to satisfy the housing demands. Nevertheless, the private sector has really stepped into a minimum of cater for a few of the demand, especially demand for high-end residential houses. The private sector has been experiencing impressive steady growth as more and more affluent Ethiopians demand for high-end houses. Private sector developers like Access land and Jackross Ethiopia are always on the frontline when it involves the important estate market within the country. These private land developers have managed to form billions of birr by selling both high end and low-cost residential houses to many Ethiopians. Moreover, the condominiums often lack water which has become a true challenge for those living in them. In other word, lack of proper ways to handle garbage has left many areas within the condominiums crammed with mountain piles of rubbish which occupy areas designated for public parking.

As per the Addis Ababa City Structured Plan (2017-2027), the government has proposed the various approaches/options to deliver housing as shown within the table below. The share of commercial enterprise in housing sector may reach 15 %, which is a chance for firms who are looking forward to hitch the industry.

- A recent report on land by Access Capital indicates that there are variety challenges within the real-estate sector in Ethiopia. The key impediments confronting the investors in the country include, but not limited to these factors only, are:

- The existing land policies which exclusively gives the ownership right to the government only and thus transfer (buying or selling) land is prohibited;
- the scarcity and the ever increasing price of construction materials;
- Insufficient and/or poor infrastructure and lack of real-estate financing particularly for the private sector as a result of the absence of specialized banks in the country such as the mortgage bank and investment bank. The financial sector of the country is dominated by the depositor banks mainly the commercial banks which are mainly meant for petty loan.

According to UN-Habitat (1996) housing may be a basic human need and intrinsically all people, the poor inclusive, deserve home where they and their families can sleep in security and luxury. Households with modest means need safe, suitable housing that they will afford. However, homelessness may be the main obstacle in urban areas and it's been projected that 57 % and 36 % of the residents in Addis Ababa access housing service by rent and own houses respectively. Generally, 80 % of the residents in Addis Ababa are homeless or live in poor housing. Government policy and interventions in recent years have focused on ownership and IHDP. Quite 383,000 condominium units are constructed and distributed under IHDP between 2004 and 2017/2018. Despite the speed at which apartments are being built and transferred, supply is unable to satisfy demand. IHDP's impact in terms of number of units built is substantial, but sources indicate government's ability to supply approximately 25,000 to 35,000 housing units at a maximum per annum means it's unable to deal with demand, which was estimated at 1.2 million in Addis alone between 2013 and 2023.

Given that between 2004 and 2016, 280,000 apartments were transferred, 28 % of the demand, or simply over 2 % once a year, has been met (World-Bank Group, 2019). This suggests the very fact that there are huge demands for housing in Ethiopia generally which needs the private sectors involvement. On the opposite hand, out of the prevailing 56 land projects so far, 43 are located in Addis Ababa. These companies exclusively specialize in building houses to the upper and upper bourgeoisie. Moreover, as per the study conducted by Kiros 2009, most real-estates specialize in high income and middle income levels, those that are capable to satisfy their terms for deposit and subsequent installments.

- This means, 37.5 % of them specialize in the upper crust, providing only luxurious homes which are heavily costly. Only one among the respondents (12.5 %) currently focused on the center income buyers' need.
- The rest accounting for 50 % of the sample have targeted on both middle and better income earner groups.

This implies that, those developers that specialize in the rich or very rich customer segment built very luxurious and expensive residential homes. This suggests that in Addis Ababa, housing supply is most crucial to the middle-income and low-income groups of the population. Similarly, most of the people buying the residential houses from real-estate are from the diasporas and a couple of are from within the country with better incomes. Such a situation must change to make a situation during which an outsized section of the society benefits. When that happens all stakeholders stand to profit. This implies that, the middle-income group can be the potential customers for real-estate developers in Ethiopia in general and Addis Ababa in particular.

Table 1: Tenancy Statuses and Place of Residence, 2016, 2011 and 2004

Tenancy Status	2016		2011		2004	
	Rural	Urban	Rural	Urban	Rural	Urban
Owned	94.3 %	39.7 %	97.3 %	54.6 %	91.1 %	42.9 %
Rented	3.0	53.0	1.2	4.2	7.1	6.8
Rented (free)	2.1	6.1	1.4	41.1	0.1	49.2
Not stated	0.5	1.3	0.0	0.1	0.0	0.1

Source: Planning and Development Commission, December 2018

Table 2: Urbanization In Ethiopia During 2008 To 2019

Date	Value	Change, %
2019	21.2	2.23 %
2018	20.8	2.23 %
2017	20.3	2.23 %
2016	19.9	2.25 %
2015	19.4	2.26 %
2014	19.0	2.28 %
2013	18.6	2.29 %
2012	18.2	2.40 %
2011	17.7	2.40 %
2010	17.3	2.42 %
2009	16.9	2.42 %
2008	16.5	

Source: <https://knoema.com/atlas/Ethiopia/Urban-population>

Table 3: Estimated Housing Need (2013-2023)

Population in 2023	Address New Family Formation	Replace Dilapidation	Address Backlog	Contingency (20 %)	Total Needed
4,408,656	207,015	269,814	500,000	195,366	1,172,195

Source: Addis Ababa City Structure Plan (2017-2027), Lia 2017

Table 4: Distribution of Households Demand by Income Group

Income Group	Share by 2002 (%)	Share by 2012 (%)	Share by 2023 (%)	Share of Housing Unit by 2023 (%)
Low-Income	88	66	35	420,000
Middle Income	16	26	50	600,000
High Income	4	8	15	180,000
Total	100	100	100	1,200,000

Source: Addis Ababa City Structure Plan (2017-2027), Lia 2017

Table 5: Proposed Housing Delivery Options

S. No	Ownership / Actors	Percentage Share (%)
1	Government	30 %
2	Private rental Housing	15 %
3	Public Housing	5 %
4	Rental Building-Cooperatives	15 %
5	House-Cooperative	15 %
6	Developmental Individuals / Cooperatives	5 %
7	Real-Estate and individuals	15 %
Total		100 %

Source: Addis Ababa City Structure Plan (2017-2027), Lia 2017

CONCLUSIONS

Ethiopia's fastest growing urban centers are challenged by an extraordinary level of demand for housing. How can the country provide housing units in an efficient and affordable fashion to accommodate growing demand from businesses and individuals for diverse uses? The objective of this study was to assess the housing demand also the practicality of establishing real-estate business in Ethiopia, particularly in and around Addis Ababa. The housing sector that engages in supplying housing stock to the city's residents has been in a long-standing strain. The study of Integrated Housing Development Program (IHDP) undertaken in 2006 indicated that the housing deficit in the urban area of the country is 900,000 out of which 450,000 is the share of (Addis Ababa AACAA, 2006). At the beginning of the year 2000, the city's nearly 4 million inhabitants had a housing supply backlog of about 300,000 units. These numbers show the housing supply shortage in the city and are oftentimes characterized by poor conditions. A study conducted in 27 cities in 2014, showed that out of the total housing supply in the country:

- IHDP supplied the most houses (52 %) followed by
- Informal house building (31 %),
- Individual self-built housing (2.5 %),
- real estate (0.3 %) and
- Municipalities, 0.3 %.

Of course, the contribution/share of real-estate in the overall housing stock/supply in Addis Ababa (4 %) is much greater than that of its share national wise (0.3 %). As the World Bank Group 2019 report, government should introduce affordable housing requirements and strengthen existing incentives for developer built affordable housing. Moreover, both local developers and foreign investors should be encouraged to participate in the market. Allowing foreign companies to form joint-ventures with local developers or builders will provide technical capacity, management capital and increased output. Currently, the existing real-estate companies exclusively focus on building houses to the higher and upper middle class. This implies the fact that they built only very luxurious and expensive residential homes. Similarly, most of the people buying the residential houses from real-estate are from the diaspora and a few are from within the country with better incomes. Such a situation needs to change to create a situation in which a large section of the society benefits. When that happens all stakeholders stand to profit. Therefore, looking at the government policy/plan and the existing real-estate firms, for new comer to the industry of housing construction/ real-estate it is better to segment their market to address the middle income group such as:

- Associations and
- Members of different clubs in the country, which takes the lion share (50 %) of the total house demand in the city as presented demand analysis section.

The real estate market on the other hand is the market that comprises renting of commercial building. But most of the real estate businesses in Ethiopia engage in residential building construction. Hence, for new entrant, in addition to residential building it is also better to consider commercial building.

RECOMMENDATIONS

Watching the govt policy/plan and therefore the existing real-estate firms, for brand spanking new comer to the industry of housing construction/ real-estate it's better to segment their market to deal with the center income group like associations and members of various clubs within the country, which takes the lion share (50 %) of the entire house demand within the city as presented demand analysis section. Therefore,

- the new entrant and the private real-estate firms in general should focus on middle-income groups which are untouched so far by both government housing policy and existing real-estate business.

The real-estate market on the opposite hand is that the market that comprises of all transactions, which involves renting of economic building. But most of the important estate businesses in Ethiopia engage in residential building construction. Hence, for brand spanking new entrant, additionally to residential building it's also better to think about commercial building. In other word, taking the mismatch between housing supply and demand in the country as an opportunity,

- Real-estate businesses should engaging in house construction for both residential and commercial purpose is appealing.

ETHICAL STATEMENTS

Ethical Approval

All procedures followed were in accordance with the ethical standards of the responsible committee on human experimentation (institutional and national) and with the Helsinki Declaration of 1975, as revised in 2000.

Informed Consent

Informed consent was obtained from all participants for being included in the study. Additional informed consent was obtained from all individuals for whom identifying information is included in this article.

Conflict of Interest Statement

On behalf of all authors, the corresponding author states that there is no conflict of interest.

Data availability Statement

All the necessary data is included in the manuscript

REFERENCES

1. *Access Capital (2010).SECTOR REPORT—Real Estate; May 2010. <https://www.ethioconstruction.net/sites/default/files/Law/Files/Sector%20Report--Real%20Estate.pdf> (Accessed 1 February, 2020)*
2. *Cepheus (2019). Ethiopia's Banking Sector. <https://cepheuscapital.com/wp-content/uploads/2019/01/Banking-Sector-Paper.pdf> (Accessed 21 August 2019). Pg. 1.*
3. *Demircuc-Kunt, A., Klapper, L., Singer, D., Ansar, S., and Hess, J. (2018). The Global Findex Database 2017: Measuring financial inclusion and the fintech revolution. The World Bank.*

4. Franklin, S. (2019). *The demand for government housing: Evidence from lotteries for 200,000 homes in Ethiopia*. https://www.arec.umd.edu/sites/arec.umd.edu/files/_docs/events/Franklin%2C%20Simon%20-%20Franklin_JMP.pdf (Accessed 21 August 2019).
5. J. W. Cho, (2003). "Foreign direct investment: determinants, trends in flows and promotion policies," in *Investment Promotion and Enterprise Development Bulletin for Asia and the Pacific*, K. Lakshminarayanan, Ed., no.1, pp. 99–112, ESCAP Works Towards Reducing Poverty and Managing Globalization, United Nations, 2003, <http://www.unescap.org/tid/publication/indpub2259.pdf>. View at: Google Scholar
6. Korea Development Institute (2018). *Enhancing National Housing Development and Administration* <http://www.ksp.go.kr/english/pageView/publication-eng/620> (Accessed 27 August 2019).
7. Korean Konkuk University and HESPI (2018). *Policy Proposals for Improving Ethiopian Housing Policies, 2017/18*.
8. Ministry of Urban and Development (2016). *Urban Housing Policy & Strategy: 1 st edition February 2013, edit March 2016, Addis Ababa*. http://www.mudc.gov.et/c/document_library/get_file?uuid=4d0c1199-d91a-47ac-99da-113701c77562&groupId=10136 (Accessed 8 April 2020)
9. Nwanna, Gladson (1986): *The contribution of foreign direct investment to exports: An empirical study of 23 LDCs*, *Intereconomics*, ISSN 0020-5346, VerlagWeltarchiv, Hamburg, Vol. 21, Iss. 6, pp. 277-282, <http://dx.doi.org/10.1007/BF02925173>
10. Planning and Development Commission. (2018). *Poverty and Economic Growth in Ethiopia: (1995/96-2015/16)*. Addis Ababa. <https://www.undp.org/content/dam/dagethiopia/documents/Poverty%20&%20Economic%20Growth%20in%20Ethiopia-mon,%20feb,%2011,%202019.pdf> (Accessed 1 April 2020)
11. Reuters (2019). *Ethiopia opens up banking sector to its diaspora*. <https://www.reuters.com/article/us-ethiopia-banks/ethiopia-opens-up-banking-sector-to-its-diaspora-idUSKCN1UQ1OG> (Accessed 30 August 2019).
12. Taye, D. (2019). *GTCTC*. 1 September 2019. <https://www.ethiopianreporter.com/index.php/article/16626> (Accessed 5 October 2019).
13. Wassie, S. B., Kusakari, H., and Sumimoto, M. (2019). *Performance of Microfinance Institutions in Ethiopia: Integrating Financial and Social Metrics*. *Social Sciences*, 8(4), 117.
14. Wilson, T (2019). *Ethiopia takes first step towards liberalising finance sector*. *Financial Times*. <https://www.ft.com/content/cca86246-b9dd-11e9-8a88-aa6628ac896c> (Accessed 31 August 2019).
15. World Bank Group, UKAID, (2019). *Ethiopia Urban Land Supply and Affordable Housing: Housing Deep Dive Report*. <http://documents.worldbank.org/curated/en/549221572382742218/pdf/>(Accessed 1 April 2020)
16. Zamaro, Z. (2019). *Financial Sector Liberalisation Curtails Industrialisation*. <https://addisfortune.news/financial-sector-liberalisation-curtails-industrialisation/> (Accessed 23 August 2019).
17. (<https://www.dlapiper.com/en/us/insights/publications/2016/11/real-estate-gazette-26/land-acquisition-in-urban-areas-of-ethiopia/>) (Accessed 2 April 2022).

18. <https://addisfortune.net/columns/ethiopias-real-estate-market-still-under-construction/>
19. <https://www.ethiopianregistrar.com/ethiopia-real-estate-high-end-high-demand/>(Accessed 1 March 202).
20. Lia. (2017). *Addis Ababa City planning period (2017-2027) Lia*, September 12, 2017 <https://c40-production-images.s3.amazonaws.com/> (Accessed 2 March 202).
21. CSA (2014). *THE 2014 URBAN EMPLOYMENT UNEMPLOYMENT. SURVEY...* The Central Statistical Agency (CSA). <http://www.csa.gov.et/component/phocadownload/category/95-ueues-2014?> (Accessed 4 March 202).
22. MenenAbebe. (2018). *Regulation of Real Estate Business in Ethiopia*. <http://etd.aau.edu.et/bitstream/handle/123456789/12627/Menen%20Abebe.pdf?sequence=1&isAllowed=y>
23. *Draft proclamation of real estate*. <https://www.capitalethiopia.com/featured/new-bill-in-process-for-real-estate-developers/>.
24. Abraham Tarekegn. (2004). *Urban Development and Housing for Low-Income Groups in Ethiopia*. RICS Foundation
25. FirewMengistu. (2002). *Institutional Interfaces and Actors behavior In Transitional Real Estate Markets Of Addis Ababa(Ethiopia)*
26. KirosAkubamicheal. (2009). *Factors Affecting the Real Estate Market*.
27. TesfayeMisganaw. (2011). *Assessment of Affordability of Private Residential Developments in Addis Ababa*.
28. Zerayehu Sime and KagnehuWelde. (2015). *Performance, Challenge. And Prospects of Real Estate Financing in Addis Ababa: Micro-and Macro Economic Implications, (Vol. 1, No.1)*
29. Henry Campbell Black, *Black's Law Dictionary (2nd Ed. West publishing Co. 1910)*
30. Mahder, H.M. (2013). *Welfare Impact of the Condominium Housing Program in Mekelle*.
31. Paul Dorosh and Emily Schmidt. (2010). *The rural-urban transformation in Ethiopia. ESSP II WORKING PAPER*. page 48. <https://www.ifpri.org/publication/rural-urban-transformation-ethiopia>
32. World Bank Group. (2019). *Planate Bank's 2019 Doing Business report*. https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf