

## ASSESSMENT OF HOUSING DEMAND AND FEASIBILITY OF ESTABLISHING REAL ESTATE BUSINESS IN ETHIOPIA

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### **ABSTRACT**

*Ethiopia's fastest growing urban centers are challenged by highly growing level of demand for housing. The essential question is how can the country provide housing units in an efficient and affordable fashion to accommodate growing demand from businesses and individuals for diverse uses? Thus, the target of this study was to assess housing demand and therefore the viability of establishing real-estate business in Ethiopia. Data were collected by review of related literature and documents like proclamations, regulations, directives and government housing plan and procedures. The finding shows that, while there are not any good statistics on new homes built or new residential building permits issued every year within the country, the demand for brand spanking new urban housing – a function of recent urban household formation and therefore the have to upgrade the prevailing housing stock – far exceeds the present supply of housing. Accordingly, an estimated 1.2 million housing backlog exists only in the capital city with a projected demand of 655,800 housing units during 2015-2025 far exceeding the estimated annual supply of housing of about 165,000 units nation-wide. To conclude, watching at the government policy and existing mismatch between supply-demand for housing in the country, the sector is viable for businesses to engage.*

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