Studies on the ethnic quota policy have traditionally focused on historical accounts of its development, geographical measures of spatial distance and on the ethnographic descriptions of enclaved communities. Assessment of its need and analysis of possible residential congregation have received scant attention. This study aims at ascertaining the necessity of the policy. Factors influencing choice of residence in terms of location as well as floor level and the effectiveness of the policy are evaluated in this paper.

The study concludes by asserting the importance of the policy in maintaining a 'balanced racial mix'. It also suggests that management of ethnic relations through public housing must be treated with caution. It holds the potential to more visibly connect housing policy with mission of social inclusion, equality of opportunity and the prospects for embedding peace.

**Keywords:** Ethnicity, integration, segregation, public housing