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“No place like home”: the plight of low-income earners in accessing housing subsidies in New Brighton, Gqeberha, South Africa

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Assisting the poor through housing subsidies is an international practice, however, in poorer countries, homeownership has been a challenge. South Africa has been experiencing backlogs in housing emanating from several factors, such as urbanisation, rural-urban migration and population growth. These factors result in millions of people residing in informal settlements and shack backyards. Although the Finance Linked Individual Subsidy Programme (FLISP) is one of the strategies utilised by the National Department of Human Settlements to assist low-income earners in accessing housing subsidies to curb housing backlogs, positive results are yet to be achieved. This study aims to investigate the barriers to accessing housing subsidies for low-income earners residing in New Brighton, Gqeberha, an urban township in the Eastern Cape, South Africa. Utilising qualitative data from primary and secondary sources to collect the data, the interpretivism research paradigm was adopted through a case study design. The secondary data consisted of a literature review of relevant academic and policy documents such as journal articles, reports, research documents, and national policy documents. The primary data consisted of 10 face-to-face interviews with urban dwellers in informal settlements and backyard dwellers. To make sense of the data, thematic and content data analysis was used as a process and way to draw valid conclusions from text, words, and concepts. The findings show that low-income earners face multiple and interrelated barriers to accessing housing subsidies, such as a lack of national awareness campaigns or publicity campaigns on FLISP; a lack of availability of housing delivery programmes to cater for informal settlements and backyard dwellers; qualifying citizens not opting for housing subsidies and inadequate and irregular incomes. The study underscores that, while qualified individuals receive housing assistance through FLISP, the programme has not sufficiently addressed housing issues due to equity problems and a low participation rate in securing housing subsidies stemming from mixed feelings on the programme, thereby indirectly discouraging individuals from considering FLISP. Although the programme targets first-time homeowners among low-income earners, the findings emphasise that residents in New Brighton often face inadequate and irregular income, hindering their ability to obtain mortgage loans and property. The article concludes by proffering recommendations and implications for policy and practice. The study proposes improving the design, delivery, and monitoring of housing subsidy programmes by the National Department of Human Settlements and other stakeholders to enhance their capacity to liaise and coordinate the FLISP programme for better outcomes in low-income households and communities.

KEYWORDS

Finance Linked Individual Subsidy Programme, housing subsidies, homeownership, informal settlement dwellers, backyarders, low-income earners, Nelson Mandela Bay Municipality, South Africa

1 Introduction

The commitment to provide access to adequate housing for all in South Africa has been a significant issue since the end of apartheid. Housing is a basic human right and a key factor for social and economic development. Apart from being a fundamental human right, housing indicates a country's living standard (Qumbisa et al., 2024). In the same vein, Bhanye et al. (2024) argue that access to housing remains a significant challenge in Africa, yet it is a fundamental human need. This implies that housing is a crucial aspect of life that should provide warmth, protection and sleep, making it significant to own a home. The quest for homeownership results in governments resorting to low-cost housing delivery, a significant strategy adopted worldwide to reduce the housing demand in most cities in the era of urbanisation. In Africa's sub regions urbanisation rates are over 60 percent in Southern Africa, 50 percent in Northern Africa, 40–48 percent in Central and West Africa, and 27 percent in East Africa (Gambe et al., 2023: 2). To date, considerable amount of literature points several challenges in homeownership in cities in Africa and globally (McKee, 2012; Filandri and Bertolini, 2016). This challenge is partly attributed to population growth and the rising wave of urbanisation. In Africa's sub regions urbanisation rates are over 60 percent in Southern Africa, 50 percent in Northern Africa, 40–48 percent in Central and West Africa, and 27 percent in East Africa (Gambe et al., 2023: 2). This underscores that urbanisation is compounded with low-income earners who battle to acquire homeownership. It is widely held that low-income earners (Ezeanah, 2022; Chigwenya, 2019) as well as young adults (Xu et al., 2015) face challenges in accessing housing in 21st-century cities (Monteiro and Veras, 2017). While the definition and attributes of low income may vary between developed and developing countries, within the African context, individuals with low income are characterised by an inability to afford necessities such as food, clothing, and housing (Gopalan and Venkataraman, 2015; Turimubumwe, 2023). Individuals without enough income to provide adequate housing for themselves and their families are considered low-income earners (Chepsiror, 2013). Consequently, as housing scholarship shows, this leads to the upsurge of the informal housing sector/human settlements in some contexts. This is particularly evident in African cities where the demand for homeownership is high, resulting in the mushrooming of informal settlements. These settlements are engulfed with several socio-economic inequalities that inevitably exclude or prevent the poor from the right to proper housing (Nyashanu et al., 2020).

In South African context, Clifford (2024) defines a low-income household based on earnings below a certain threshold, which encompasses various factors such as poverty lines and income status in the country. Income status is categorised through self-reported employment status, which is generally categorised as employed or not employed, yet when determining the income category of a household, employment status is one of the factors considered. However, in the South African context this income is from various sources such as social grants, employment, pensions and other sources of income. According to Clifford (2024) a combined annual household income in South Africa is often categorised into three income groups in line with income status in the country, including:

- Poor: Income ranging from \$0 to 2,882
- Low Emerging Middle Class: Income ranging from \$2,883 to \$8,006
- Middle Class: Income ranging from \$8,007 to \$19,214

Statista shows that in South Africa, an individual living on less than 1,109 South African Rand (approximately 62.14 U.S. dollars) per month was considered poor as of 2024 (Cowling, 2024). Notably, some misunderstandings and discrepancies leave a gap in categorising low-income earners in South Africa, as the term is sometimes referred to as low-emerging middle-income earners. Clifford (2024) specifies that the low emerging middle-class category in South Africa represents households with income levels higher than the poor category but lower than the middle-class category. In this study, we adopted the term low-income earner which can fit under the blanket of being poor. However, the FLISP targets first-time home buyers with incomes between R3,501 and R22,000 per month and according to Table 1, this group of people is found in all income categories – poor, low emerging middle class and middle class. Hence, this mismatch in concepts may result in misrepresentation of data in each category, as there may be overlaps in conceptualising terms.

Critical to note and as shown in the urban studies scholarship, the demand for homeownership is not only an African issue (Clark et al., 2021). Several investigations have shown how the demand for housing among urban dwellers has been pronounced in global cities. The literature pursues the argument on housing challenges utilising the housing needs and housing deficit lens (Moore, 2019). There is also an increasing spike in policy scholarship on homeownership which has long acknowledged the demand and supply side challenges of access to housing for low-income earners (International Growth Centre, 2018). However, others view homeownership as a status good attained in the pursuit of societal status and economic wellbeing (Wei et al., 2017). Such reasoning, whilst true to some extent, eludes the importance of the right to housing, especially one's access to own space. The quest for homeownership contributes to valuable subsidised solutions to cater for the low-income earners in South Africa.

The government in South Africa is mandated to provide subsidised housing solutions for vulnerable groups which is delivered through various programmes under the National Housing Code of 2009. However, many low-income earners in South Africa face numerous barriers to accessing adequate and affordable housing, especially in urban areas. In this regard, citizens who qualify are to benefit through housing subsidy programmes that came as a result of democracy. South Africa's housing policy, introduced shortly after the first democratic elections in 1994, was formulated by the National

TABLE 1 Classification of income levels.

Category	Income in US dollars per annum	Income in Rands per annum	Income in Rands per month
Poor	Income ranging from \$0 to \$2,882	Approximately ranging from R0 to R55 036	Approximately ranging from R0 to R4 586
Low emerging middle class	Income ranging from \$2,883 to \$8,006	Approximately R55 055 to R152,887	Approximately ranging from R4 588 to R12 741
Middle class	\$8,007 to \$19,214	Approximately R152 906 to R366,922	Approximately ranging from R12 742 to R30 577

Authors compilation (2025).

Housing Forum from 1992 to 1994 and finalised in a white paper on housing. The Housing White Paper, which provides a housing policy framework and defines key elements of national housing policy, has seven key strategies. An important strategy is related to providing subsidy support through housing subsidy programmes (Limba, 2019). This includes financial support from the South African government to help low-income households access housing through capital grants.

One of the existing housing subsidy programmes provided by the Department of Human Settlements is the Finance Linked Individual Subsidy Program (FLISP) mainly for first-time homebuyers to assist with purchasing a home (Limba, 2019; Masego, 2016; Cirolia, 2016) calls them the gap market because they do not qualify for mortgage finance although there have been considerable discussions toward transformation with the banks to allow low-income earners to access bonds. The FLISP works through the National Housing Finance Corporation (NHFC) and provides affordable housing subsidies for households with incomes from R3,501 to R22,000 (Department of Human Settlements, 2024). According to Blackwell and Kohl (2018), NHFC was created to provide low-income groups with access to affordable housing finance for the purchase of their preferred residential property or home. The FLISP, as a government subsidy available to all South Africans, target first-time home buyers with incomes between R3,501 and R22,000 per month. However, beneficiaries need to possess several attributes and fulfil certain obligations to qualify for FLISP. Firstly, the beneficiaries must not have received a government housing subsidy before, must be over 18 years old, and must not have owned a fixed residential property before. In this regard, to apply for FLISP, all the requirements must be met; however, before 1 April 2022, to apply for the government subsidy, beneficiaries were supposed to first apply for a home loan. The policy was then revised on 1 April 2022. Citizens who are first-time buyers of the FLISP subsidy can have financial assistance to buy a property through a pension or provident fund, an unsecured loan, the Government Employees Housing Scheme, an instalment sale or a rent-to-own agreement, any other employer-assisted housing scheme and a co-operative or community-based savings scheme like a stokvel. With all this available information in public spaces, these requirements paint an image that the eligibility criteria and procedures for housing subsidy programmes are simple yet in reality citizens can only access a bond from the bank if they earn R15 000–R22 000 as shared by the former Minister of Human Settlements Mmamoloko Nkensani Kubayi in an interview with DJ Fresh on the 9th of November 2024. Since housing demand in South Africa grows every year, new housing solutions are needed to accommodate new households to prevent a growing housing backlog for this income segment (Marais and Cloete, 2015).

South Africa, including New Brighton Township in NMBM, has been experiencing housing shortages, resulting in most residents living in informal settlements and backyard shacks. The issue this study seeks to address is the inability of low-income earners residing in informal settlements and backyard dwellings to access the housing subsidies for which they qualify. The main research question guiding this article is: What are the barriers to accessing housing subsidies for low-income earners in New Brighton, Gqeberha, from an urban dweller's perspective? To answer this question, both grey literature and primary qualitative data were utilised. This article aims to investigate the barriers faced by low-income earners residing in New Brighton Township, Gqeberha (Nelson Mandela Bay Municipality, NMBM), by gaining insights from urban dwellers. The article proceeds as follows: the next section offers a literature review beginning with the legislative and policy mandates guiding housing and human settlements in South Africa. What follows

is a discussion on adequate housing provision, access, and affordability globally, followed by an exploration of the barriers faced by low-income residents when applying for state subsidies. The third section presents the methodology, while section four presents, interprets, and discusses the findings of the study, followed by a conclusion, policy recommendations, implications for scholarship, policy and practice, and suggestions for future research.

2 Literature review

This section highlights and discusses the literature on the legislative and policy mandates in housing delivery in South Africa, adequate housing provision, access and affordability, and barriers to accessing housing subsidies for low-income earners to extend scholarly on homeownership.

2.1 Legislative and policy mandates

South Africa has implemented several housing legislations, regulations, and programmatic interventions due to the considerable pressure around housing issues (Mashwama et al., 2018). Housing issues have been ongoing since apartheid which have contributed to spatial inequalities in cities. This implies that South Africa's large and racially segregated cities stem from the previous regime's efforts to house low-income urban dwellers. However, previous efforts were futile as they segregated the poor in the peripheries of cities which the government is still battling to redress. The 1994 Housing White Paper (HWP) was the first post-apartheid government attempt to address the serious housing scarcity and substandard living circumstances that many South Africans experienced following apartheid (Qumbisa et al., 2024). The Housing White Paper outlined a comprehensive strategy to provide affordable and suitable housing to all South Africans, regardless of race and income level. In response to this, the HWP was a significant policy that sought to reverse the aftermaths of apartheid-era laws that were exclusionary in terms of accessing decent housing. The policy underscores the creation of low-income housing as part of the Reconstruction and Development Programme (RDP), mainly for historically disadvantaged urban populations. However, the HWP was not prioritising the integrated and inclusive nature of human settlements. This has contributed to the formation of the Breaking New Ground (BNG) policy in 1994 to strengthen HWP processes. Hence, the BNG intends to transcend the provision of basic housing toward establishing a broader vision of sustainable human settlements by ensuring equitable infrastructure development through programmes such as the Upgrading of Informal Settlements Programme (UISP) (Qumbisa et al., 2024). The primary focus of the BNG policy was to restructure spatial planning by ensuring that households are well located and have reasonable access to socio-economic opportunities. To address similar challenges, the Housing Development Agency Act, 2008 (ACT NO.232008) was established in 2009 to respond to service delivery challenges in the housing sector which include delays of low-income earners housing due to constrained identification, acquisition, assembly and release of land for human settlements development (Republic of South Africa, 2008). Despite the regulations, South Africa continues to face housing backlogs which is attributed to the challenge of growing urbanisation and other administrative challenges. The following sections interrogate

more on how different countries in developed and developing countries are affected by such challenges.

2.2 Adequate housing provision, access and affordability

Providing low-cost housing to low-income individuals has emerged as a key priority and objective for governments worldwide (Moore, 2019; Wetzstein, 2017). Although housing provision for low-income earners is key, most cities are failing to provide adequate housing to the urban poor (Chigwenya, 2019). Both governments and the private sector have been failing to provide housing schemes for low-income earners. The governments fail due to budgetary constraints whereas the private sector fails to provide housing schemes sensitive to the plight of the poor (Chigwenya, 2019). Several scholars have emphasised the need for adequate housing provision for low-income dwellers (Ayo-Odifili et al., 2022; Coelho et al., 2020; Gurran et al., 2021; Haffner and Hulse, 2021). Worldwide, although there is a tremendous need for adequate housing provision for low-income households, the limited supply of housing units and affordability remain constraining factors toward this goal. Affordable housing entails the relationship between the households' income and the cost of housing (Ayo-Odifili et al., 2022; Adabre et al., 2020). Although affordability is often measured with housing income and cost of housing it is significant to note that apart from that, other factors such as location, house size, features in the neighbourhood, house quality household composition and adequate housing provision often translate to what affordability entails (Ayo-Odifili et al., 2022; Coelho et al., 2020; Gurran et al., 2021; Haffner and Hulse, 2021). Adopting these lenses, it can be argued that affordability is not a one size fit all as macroeconomic factors such as inflation rate, level of employment/unemployment, interest rates, exchange rates, and real gross domestic product (GDP) also, come into play, subsequently influencing the ability to afford housing (McKay et al., 2022; Gilbert, 2014; Gunter, 2014). Again, housing affordability depends on a housing system that is dominant in that country be it a welfare state or a neoliberal/market-driven approach.

According to Lee et al. (2022), housing affordability has been decreasing in advanced economies due to the retrenchment of the welfare state and the move toward a more market-driven housing system. In capitalist economies, private housing has dominated housing markets and that has resulted in the reduction of publicly subsidised housing both in aggregate number and overall housing stock as compared to the level of need. The neo-liberal system removes some of the affordable housing from the market and has an unequivocal impact on housing accessibility and cost burden to those with the greatest need (Lee et al., 2022). This underscores that the privatisation of housing in most advanced economies has shifted housing provision, for instance in the US the conventional public housing program was phased out in the 1970s since public housing never housed more than a few percentage points of the entire population as anticipated. This implies that the US shifted toward private builder subsidies and demand-side subsidies such as Section 8 rental vouchers.

Likewise, the "Right to Buy" scheme in the UK which was introduced in 1980 offered council tenants hefty discounts to purchase their homes from their local authorities. Such moves for social

housing privatisation from 2001 to 2018 meant that subsidised housing became a fallacy since public investment in housing development went down from 0.17 percent of GDP to 0.06 percent of GDP on average among OECD countries (Lee et al., 2022; OECD, 2021). In recent decades, Australia introduced several changes to the mode of housing provision from direct government involvement in housing production to a model based on financial incentives to developers and public-private partnerships. The reduced or restructured government services reflect the neo-liberal philosophies and practices that are market oriented as well as a shift in housing policy (Lee et al., 2022). To meet the needs of a market-oriented economy the government either reduced or restructured its services but government assistance programs that seek to address the needs of vulnerable households within the rental housing market had been residualised through the social housing sector.

Similarly, Ireland has a dominant market model where housing subsidies are limited based on a means-tested basis of beneficiaries. Historically Sweden's housing system used to be based on a welfare approach to express the equality between individuals and characterised by a subsidised housing sector, a large public housing sector and a soft rent control system (Lee et al., 2022). However, in recent times the main policy approach in Sweden has been marked by reduced subsidies such as tax benefits, housing allowances and a much narrower focus on the most vulnerable as opposed to the general population. Although it could not be constructive to centralise issues of governance in the private sector the neoliberal approach sometimes leads to insufficient state support and accountability leaving vulnerable populations without the necessary resources or protections. Hence, a balanced model that integrates both perspectives could be more effective.

In this regard, comparative housing research across three countries the United States (Chicago, New York and Los Angeles), the United Kingdom (London, Birmingham and Manchester), and France (Paris, Marseille and Lyon) were done to examine the relationship between national and local powers on the outcomes and implementation of national housing policies particularly subsidised affordable housing (Hoekstra, 2020). Arguably, while it is significant and informative to compare national housing policies alone it could present a false narrative or insufficient views in explaining the divergent realities between and within countries. These observations indicate that regional and local governments mediate national policies and determine where subsidised tenants access housing units. While the analysis for the provision and geographical distribution of subsidised housing units in nine metropolitan regions is timelier it was concluded that the US lags behind the UK and France both in terms of the share of subsidised units and the degree to which these units are evenly distributed across municipalities (Freemark and Steil, 2021). In translating these results, the US does not focus on tenant-based housing, but the local government supplies fiscal incentives and resources to supplement exclusionary systems as compared to the UK and France which prioritise these outcomes.

Most developing nations, with 23 out of 54 located in Africa, are commonly referred to as economies with low-income status (Turimubumwe, 2023). Turimubumwe (2023) and Ram and Needham (2016) affirm that low-income households encounter the greatest challenges in securing suitable accommodation. In South Africa, rising housing supplies in metropolitan municipalities to meet the demand is unlikely to be achieved any time soon with low economic

growth and fiscal contraction. It is evident that in South Africa the provision of human settlements by the government for the past few years has been decreasing drastically due to reduced funding. In 2016 and 2017 funding for the provision of human settlements was reduced by R1.6 billion and R871 million, respectively (Mbandlwa, 2021: 6759). Likewise, in 2018 support from the medium-term spending framework was reduced by R7.2 billion. This underscores that the housing supply will be inadequate especially when associated with population growth and urbanisation in most urban areas. The urbanisation rate in South Africa is higher as compared to other countries known to have high population growth rates such as India with a 32% urbanisation rate (Mbandlwa, 2021: 6759). In this context, the government is expected to prioritise housing where it is most required depending on specific income class. Evidence shows that more than six million metro households belong to the lowest-income group earning up to R4 000 per month those who normally qualify for an RDP house or property priced at R130 000. However, the housing stock available for this income level is over two million housing units. The other category that qualifies for housing units valued between R130 000 and R300 000 is for households that earn between R4 001 and R9 000, respectively. It is worth noting that only some 250,000 units were available to a total number of about four million households (Mbandlwa, 2021: 6759). The other group with over 2.2 million households earning between R9 001 and R17 000 a month qualifies for a property priced between R300 000 and R565 000 at the higher end of the gap market, yet the residential stock was about one million (Mbandlwa, 2021: 6759). It is clear that inside the metros the largest number of households without adequate housing are those earning between R4,001 and R17,000 per month although demand is more acute for those earning between R4,001 and R9,000 per month (Mbandlwa, 2021: 6759).

Since 1994 the Department of Human Settlements (DHS) 2019/20 annual report in South Africa unveils that they supplied about 4.8 million housing opportunities (Qumbisa et al., 2024). Even so, this does not imply that 4.8 million additional homes were constructed since the government provided more than 3.3 million housing units and more than 1.1 million serviced sites. Although the FLISP caters for income levels from R3 501 to R22 000 there is always a challenge in terms of the precarious nature of some jobs which are usually associated with this income group. One would argue that when there are irregular incomes this group will qualify for BNG housing, but long waiting lists will impede their chances for homeownership. Thus, devoting more money to households in metros where the supply of housing is low is significant to cater for these income levels.

Despite ostensibly commendable housing policies and strategies in Africa, there has been a singular failure to provide adequate housing (Mafukidze and Hoosen, 2009). According to Gilbert (2004), the field of public housing has positive experiences but there are failures. The backlogs in the housing delivery system in South Africa and internationally exacerbate these failures. This implies the gap in the adequate provision of affordable housing for low-income earners. As noted across advanced economies, there is a need for opportunities for further comparative research that explores the nexus of welfare regimes and structures of local control to unpack different typologies that impact housing affordability and neighbourhood access/homeownership. Similarly in African countries such as South Africa comparative research in the African context could be timelier. Since housing delivery is an issue that is faced in South Africa and

internationally situating the arguments of this article on housing challenges utilising the housing needs and housing deficit lens (Moore, 2019) is significant to underscore the need to support affordable housing for vulnerable populations.

2.3 Barriers to accessing housing subsidies for low-income earners

Several factors are hindering low-income households from accessing housing subsidies both globally and locally (South Africa). In the United States, barriers that impede low-income households from homeownership are limited availability of housing units and prolonged waiting lists for housing assistance programs. In the United States, low-income households face a large deficit of affordable housing and higher rates of housing costs as compared to higher-income groups. Nevertheless, Hispanics—a poor household group—face greater housing challenges due to language barriers and immigration status (Aiken et al., 2021). Not only that, but Hispanic underrepresentation is linked to the overall availability of resources to address the housing crisis and shortcomings.

The primary barriers to accessing housing subsidies in Kenya are attributed to the high cost of land and construction materials which make affordable housing projects financially unviable. Similarly, in Nigeria, both middle and low-income earners face housing shortages stemming from various housing challenges such as the high cost of building materials, limited access to land, bureaucratic bottlenecks, high costs of levies, institutional problems and implementation issues among others which constrain the delivery of housing (Ezeanah, 2022).

Assisting the poor and disadvantaged groups through housing subsidies has always been difficult (Aghimien et al., 2018). Governments have been forced to make decisions to limit the number of subsidies offered due to a lack of adequate resources. Those decisions result in many implementation challenges related to housing quality, allocation criteria, use of credit facilities and the location of new housing. The Department of Human Settlement adopted the Housing Subsidy System model of housing delivery aimed at the poor and disadvantaged in 1994. The department through its plans/processes grants houses to first-time homeowners. Beneficiaries access these housing subsidies through several methods such as applications to the Provincial Housing Boards to buy individual houses, housing projects providing homes for ownership and an initiative providing rental accommodation (Aghimien et al., 2018).

In South Africa, commercial banks target the higher market which is mainly in urban areas and hesitate to grant mortgage loans/bonds to low-income groups (Limba, 2019). According to Coetzee (2018) people fail to access approval for mortgages due to poor credit ratings, which would once again limit a FLISP subsidy from being delivered. In response to the market failure, the South African government has adopted measures that fostered relationships between commercial banks and the public sector to enhance and address accessibility to affordable housing finance for low-income groups, but the positive outcome is yet to be realised.

Smit and Cirolia (2019) state that there is a void of national awareness campaigns or publicity campaigns were implemented to support the necessary administrative systems of the FLISP. Lack of awareness results in a low participation rate in the FLISP programme since many eligible individuals will be barred indirectly from

benefiting from such programmes. In this regard, the FLISP has, however, established and provided housing assistance to qualified people, but the programme has not been able to adequately address housing issues due to issues of equity amongst other factors. To achieve economies of scale and keep costs down, standardised homes were often delivered to poorly located areas. In short, the work and social needs of many households were not met. Furthermore, the state's institutional structure, supply chain requirements, and project planning undermine the state's ability to provide, as evidenced by the failure to meet housing supply targets each year (Smit and Cirolia 2019). Also, to keep up with the density of newly funded developments was usually too low to accommodate the existing population, creating problems related to community resistance, evacuation, and temporary housing.

Cities are reluctant to expand the fully subsidised affordable housing sectors due to budgetary effects, misleading incentives, real capacity, and other constraints. Subsidy beneficiaries who sell their homes are believed to return to inadequate housing and informal settlements. The result is a lack of new projects and little support for preparatory programmes that can expand after-market development in the budget segment (Smit and Cirolia, 2019). The national budgetary constraints will increasingly challenge the state's ability to deploy programmes as planned. Hence, affordability is the central problem of the lack of housing subsidy provision because for the new house to be supplied, the price that a household is willing and able to pay must be greater than the cost of building the house.

According to McKay et al. (2022) in the Western Cape province, South Africa several barriers or constraints that hinder the supply of housing were noted:

- Strict and unresponsive planning authorities reduce supply, causing housing prices to rise;
- High building standards and strict building codes also increase the cost of housing;
- Development regulations can prolong the time taken to obtain building approvals, discouraging developers and.
- Environmental rules and regulations also influence housing costs and supply.

Several constraints listed above may hinder the supply of housing which can be translated to the limited coverage and uneven availability of housing subsidy programmes (FLISP) and housing units. This implies that accessing housing subsidies will be limited since there will be a disparity between the demand and supply of low-income housing. Also, the inadequate accessibility of housing subsidy programmes and housing units contributes to a significant barrier to accessing them, thereby creating a disparity between those who could potentially benefit from low-income housing and those who actually do.

3 Methodology

The methodology utilised for this study was primarily qualitative, integrating both interviews and a desktop research approach that leveraged academic and policy documents and reports to investigate the barriers to accessing housing subsidies for low-income earners in South Africa. The research design was a case study, drawing insights from an interpretivist paradigm to explore the research objectives

thoroughly. This form of research paradigm was chosen based on its characteristics outlined by Rodriguez and Smith (2018), which describe an individual's experience regarding a particular phenomenon and strive to set aside biases and preconceived assumptions about human experiences, feelings, and responses to specific situations. Data collection mainly involved face-to-face interviews and scholarly resources from online academic databases such as Google Scholar and ResearchGate. These platforms provided access to a wide range of peer-reviewed journal articles, conference papers, policy documents, and reports relevant to the study's focus. The following sections offer a detailed explanation of the targeted population, sampling method, data analysis methods, ethical considerations, the geographical location of the study, and demographic profile.

3.1 Targeted population

The target population consisted of all members who met the specific criteria set for the study. Additionally, the target population excluded attributes that contradict the assumptions, contexts, or goals of the study, indicating subtle differences compared to the general population. Target groups employ selection criteria to exclude individuals from the general population who are unable to provide accurate or relevant information (Asiamah, 2017). Qualitative studies systematically employ several criteria to screen the most appropriate individuals from the general population, considering the responsiveness of the selected participants (Asiamah, 2017). The target population includes urban residents and low-income earners living in informal settlements, backyards, and formal homes. Specifically, the target population for this study was comprised of 30 participants who were low-income earners residing in New Brighton, including one of its informal settlements, Chris Hani. This implies that the total target population involved 30 participants who met the specific criteria set for the study: 10 participants from one informal settlement (Chris Hani), 10 from backyards, and 10 from their homes (non-owners) but working low-income earners. Furthermore, participants qualifying for housing subsidies, as mentioned earlier, must not have received a government housing subsidy previously, must be over 18 years old, and must not have owned fixed residential property before. Hence, the specific criteria for the selected sample size of 10 participants included backyarders, informal settlement dwellers, and those who resided in their homes (not owners) but fell under the low-income earner category. To elaborate further, the following table specifies the exact number of the total target population and the selected sample size, alongside the adopted sample size.

Table 2 shows the number of participants that were involved in the data collection through interviews. This section was informed by the research aim and question presented in the introduction to offer a meaningful justification of the selected sample size. Hence, the

TABLE 2 Number of participants interviewed.

Description of interview schedule	Number of questions	Number of participants (total selected)	Number of participants (adopted sample size)
Questions asked	29	30	10

selection of the study design was influenced by the nature of the study and the research question.

3.2 Sampling method

Given the case study research design, the study employed a purposive sampling method to select participants and data sources. Purposive sampling (non-probability method) was used based on the researcher's subjective judgment as it allows for studying a specific group of people with low-income (Mohsin, 2016). In this respect, following a case study design, data was collected through 10 face-to-face interviews in New Brighton (informal settlement dwellers, backyard dwellers and those who reside in their homes). The selection criteria for participants for interviews as shown in Table 1 were based on the requirements needed to qualify for housing subsidies, as mentioned earlier. The aim was to inform the participants about the Finance Linked Individual Subsidy Programme and investigate the barriers to accessing housing subsidies. In addition, literature (data sources) was screened based on its relevance to the study's objectives, the quality of research, and its applicability to the thematic areas of interest. Inclusion criteria were applied to ensure that only relevant studies were included. The search criteria encompassed keywords such as "housing subsidies," "homeownership," "adequate housing provision," "housing access and affordability," "barriers to accessing housing subsidies," "low-income earners," and other related terms to secure comprehensive coverage of the literature. The inclusion criteria for documents and reports included:

- Relevance to housing subsidies and homeownership options for low-income earners between 2009 and 2025.
- Credibility and authority of the sources, including government publications, Department of Human Settlements annual reports, conference proceedings, YouTube videos, news articles, and peer-reviewed articles.
- Temporal proximity, focusing on documents published in English that address housing subsidies and explore homeownership initiatives/options for low-income earners from 2009 to 2025 to ensure current relevance.
- Geographic representation, ensuring the inclusion of data from South Africa involved in housing subsidies, including the Western Cape and Eastern Cape.
- The exclusion criteria for documents and reports comprised:
- Duplicate studies not related to the targeted area or themes of housing subsidies and homeownership options for low-income earners.
- Exclusion based on topic and language.

3.3 Data analysis methods

The study utilised a thematic and content analysis approach focussing on key themes that emerged from answering the main question of the study through identifying interrelated barriers to accessing housing subsidies in New Brighton. Key themes emerging from the literature were lack of homeownership by low-income earners, inadequate housing provision, housing access and affordability, and barriers to accessing housing subsidies. These were integrated into empirical findings as they are

intertwined, presenting them separately resulted in repeating main arguments. Hence, the analysis of empirical findings followed a thematic analysis approach to make sense of the data that was collected through interviews to identify, analyse, and report patterns or themes within the qualitative data (Creswell, 2014). This approach involved systematically coding and categorising the data to identify recurring patterns and themes related to barriers to accessing housing subsidies by low-income earners. The initial coding phase was guided by the study's objectives, ensuring alignment with the research questions. Themes were developed iteratively through an inductive process, allowing for a comprehensive exploration of the data and the generation of rich, descriptive accounts of participants' perspectives and experiences.

On the other hand, content data analysis was used on literature review findings to process and draw valid conclusions from text, words, and concepts (Leavy, 2014). Hence, the analysis of desktop findings followed these steps:

- Data extraction: Relevant information was extracted from selected documents and organised according to predefined themes.
- Synthesis and interpretation: findings were synthesised with the empirical review findings to draw connections to understand the barriers to accessing housing subsidies supported by quoting sources from similar studies globally and in South Africa.

3.4 Ethical considerations

Informed consent forms were signed to observe ethical considerations for interviews debriefing and offering participants an opportunity to reflect on their experience of participating based on their agreement.

- Data privacy: No personal or sensitive data directed to a specific participant were shared, pseudonyms were utilised to ensure compliance with ethical guidelines for research.
- Ethical considerations on secondary data were observed through:
- Credibility of sources: Publicly available and peer-reviewed data sources were used to ensure the reliability of findings.
- Acknowledgement of sources: To maintain academic integrity, all data sources were cited appropriately.

4 Findings and discussion

This section presents the demographic profile of the participants, findings, interprets the findings and analyses the collected data from the Eastern Cape province residents in New Brighton in Gqeberha, South Africa. Furthermore, the major findings such as lack of national awareness campaigns or publicity campaigns on FLISP; lack of availability of housing delivery programmes to cater for informal settlements and backyard dwellers; qualifying citizens not opting for housing subsidies and inadequate and irregular income were presented and discussed to unpack the barriers to accessing housing subsidies for Low-income earners residing in New Brighton, Gqeberha focussing on FLISP subsidy for targeting the first-time homeowners. After the discussion section, conclusions, recommendations, policy implications, limitations of the study and suggestions for future studies were conferred.

4.1 Demographic profile

The demographics profile in [Table 3](#) summarises the participants' biographical information encompassing factors like gender, age group, income levels, education, employment, type of employment, place of stay and formal housing. This section examines the demographic attributes of the 10 face-to-face interviews that were conducted to extract valuable observations for diverse objectives. The gender distribution of the 10 participants indicated that 6 were female participants and 4 were male participants. The age group 20–29 had 3 participants, group 30–39 had 4 participants and group 40–49 had 3 participants whilst age groups 50–59, 60–69, 70–79 and 80+ had no participants. Regarding income levels R0–R1,500 and R1,600–R2,500 were not represented, hence, the lowest income was R2,600–R3,500 with 1 participant. Two (2) participants were earning an income ranging from R3,600–R4,500 and the highest income ranging from R4,600+ with 7 participants.

In terms of education, 4 participants attended secondary education whereas 6 participants attended tertiary education. All 10 participants were employed, 6 in the public sector and 4 in the private sector whilst categories of self-employed and entrepreneurs were not represented. Regarding a place of residence, 2 participants reside in formal housing whereas 8 participants reside in informal housing. Those who reside in formal housing (owned houses) (20%). Informal housing is classified into two categories: 7 participants rented/backyard dwellers, and 1 participant (shacks).

4.2 Lack of national awareness campaigns or publicity campaigns on FLISP

The case study findings as shown in [Table 4](#) suggest that 7 participants were not sure about their eligibility to qualify for the housing subsidy (FLISP) whereas 3 participants were aware that they qualify.

The case study findings show that residents were not familiar with the (FLISP) as it is not much advertised to them. One Participant shared that:

“These programmes should be advertised in our workplaces because some of us have limited leisure time, we cannot go and look for information about housing subsidies, this information should be given to us by means of seminars, workshops, be broadcasted on TVs and radios.”

The other one said:

“I have seen this FLISP on SABC1 at around 22:00, these programmes should be played from at least 18:00–20:00 on TV when people are not sleeping.”

In this regard, the main barrier to accessing housing subsidies pertains to the insufficient and distorted awareness of the housing subsidy programmes and the corresponding housing units, thereby engendering a state of confusion and distrust between individuals with low incomes and providers of housing. The findings of this study correspond with [Smit and Cirolia \(2019\)](#), who found that FLISP lacks national awareness campaigns or publicity campaigns and the

TABLE 3 Demographic profile.

Category	Frequency	Percentage
Gender	N = 10	
Male	4	40
Female	6	60
Total	10	100
Age group	N = 10	
20–29	3	30
30–39	4	40
40–49	3	30
50–59	-	-
60–69	-	-
70–79	-	-
80+	-	-
Total	10	100
Income levels	N = 10	
R0–R1,500	-	-
R1,600–R2,500	-	-
R2,600–R3,500	1	10
R3,600–R4,600	2	20
R4,600+	7	70
Total	10	100
Education	N = 10	
Secondary	4	40
Tertiary	6	60
Total	10	100
Employment	N = 10	
Employed	10	100
Unemployed	-	-
Total	10	100
Type of employment	N = 10	
Public sector	6	60
Private sector	4	40
Self employed	-	-
Entrepreneur	-	-
Total	10	100
Place of stay	N = 100	
Formal housing	2	20
Informal housing	8	80
Total	10	100
Formal housing	N = 10	
Owned	2	20
Rented/backyard dwellers	7	70
Shack	1	10
Total	10	100

implementation of necessary administrative systems. Based on the literature and data from the interviews, low-income households in New Brighton exhibited a limited and distorted comprehension of the

TABLE 4 Lack of awareness of housing subsidy.

Question	Number of participants		
	Yes	No	Not Sure
Do you qualify for a housing subsidy?	3	0	7

housing subsidy programmes in that the FLISP and BNG houses are frequently confused with other programmes and units, such as the Reconstruction and Development Programme (RDP) houses. Consequently, due to the absence of knowledge, clarity, and satisfaction, many low-income earners were disinclined to apply for or accept housing subsidy programmes and housing units. Noting that the majority reside in informal settlements and backyards this programme could play a signification role in housing provision to low-income earners who are normally regarded as the gap market and do not qualify for RDP houses.

4.3 Lack of availability of housing delivery programmes to cater for informal settlements and backyard dwellers

The case study findings revealed that there is a lack of housing delivery programmes to cater for informal settlements and backyard dwellers. This was shown when 6 participants responded with a “No” when asked the question: Do you think that the housing delivery programmes are enough to cater for informal settlements and backyard dwellers? Most interviewed participants (6) echoed that:

“No, they are not enough because if they were enough there wouldn’t be many informal settlements and backyard dwellers.”

The other 4 participants responded with a Yes:

“Yes they are enough, it is just that people are not aware of them”.

The findings underscore that the production of housing delivery programmes is insufficient to cater for the growth of cities in the era of urbanisation and population growth. Gambe et al. (2023) affirm that in Africa’s sub-regions, urbanisation rates are over 60 percent in Southern Africa, and South Africa is not an exception. This implies that the quest for homeownership for low-income earners will be futile if housing production is lower than the demand. To buttress this point, it is noteworthy to alert that cities have limited resources to expand the fully subsidised affordable housing sectors due to budgetary effects, misleading incentives, real capacity, and other constraints (Smit and Cirolia 2019). This results in the lack of new projects and little support for preparatory programmes that can expand after-market development in the budget segment due to national budgetary constraints that increasingly challenge the state’s ability to deploy programmes as planned. Chigwenya (2019) alludes that even though housing provision for low-income earners is key, most cities are failing to provide adequate housing to the urban poor. As it is not enough, the private sector fails to provide housing

schemes sensitive to the plight of the poor (Chigwenya, 2019). The implications of such constraints equate to low-income earners not accessing adequate housing thereby hindering their chances of homeownership.

The lack of availability of housing delivery programmes is further shown by residents staying in informal settlements and backyards. Hence, case study findings as shown in Table 5 depict that housing is very limited to cater for the growth of informal settlements and backyard dwellers.

Based on Table 4, 3 participants answered “yes” to respond that they qualify for housing subsidy and 7 participants answered, “not sure”. The participants who highlighted that they knew they qualified were because they were employed in the public sector and when a person is employed in a public sector, they qualify for housing subsidy and not RDP house. Five (5) participants indicated that they were registered on the municipal housing demand database and the other 5 were not sure since they applied for RDP houses in which they were not sure whether the database automatically transfers them to housing subsidy once they are employed or are still in the database as they applied in the previous years. To add, all participants indicated they had no other options for a place to stay except for the backyards and informal settlements. Also, all participants indicated that they had not stayed for more than 3 years on the formal settlement. However, the majority indicated that they have stayed for more than 3 years in the informal settlement, which is represented by 6 participants who answered “Yes” and 4 participants who answered “No” showing that they did not stay in the informal settlement for more than 3 years. These findings reveal that there is a major administrative inefficiency in providing housing delivery programmes to cater for those who reside in informal settlements and backyards as well as structural challenges. Bhanye et al. (2024) argue that access to housing remains a significant challenge in Africa, yet it is a fundamental human need. Governments in Africa are battling with urbanisation that is occurring at an unprecedented rate. Large-scale urbanisation is occurring not only in infamous big cities but also in towns and small urban areas. The growth rate of cities is highest in the Global North and Global South – developed and developing countries, respectively. It is estimated that nearly one billion people, or one-third of the world’s urban dwellers, live in informal housing (UN-Habitat, 2020). The increasing spread of informal settlement housing causes large numbers of the urban poor in low-income nations of the global South (Lombard, 2014).

4.4 Qualifying citizens not opting for housing subsidies

The case study findings in Table 6 show different reasons why qualifying citizens do not opt for housing subsidies. According to the study, 6 participants said that they: “Have not considered yet”; 2 participants said they were “Not ready yet”; while 2 participants shared that they “do not know where to apply for it” and “I don’t have much information about it” respectively.

These findings underscore that qualifying citizens do not opt for housing subsidies because they do not consider them as an option in securing homes. These findings correspond with Smit and Cirolia (2019), who confirm that housing subsidy programmes have a low participation rate since many eligible individuals may be barred indirectly from

TABLE 5 Informal settlement and backyard dwellers.

Questions	Number of participants		
	Yes	No	Not Sure
(i) Do you qualify for a housing subsidy?	3	0	7
(ii) Are you registered on the municipal housing demand database?	5	0	5
(iii) Do you have other options of place of stay?	0	10	0
(iv) Have you stayed for more than 3 years on the formal settlement	0	10	0
(v) Have you stayed for more than 3 years in the informal settlement?	6	4	0

TABLE 6 Qualifying citizens not opting for housing subsidies.

Participants (left)	Responses (right)
Participant 1	"Have not considered yet"
Participant 2	"Have not considered yet"
Participant 3	"Have not considered yet"
Participant 4	"Not ready yet"
Participant 5	"Do not know where to apply for it"
Participant 6	"Not ready yet"
Participant 7	"Have not considered yet"
Participant 8	"Have not thought about it yet"
Participant 9	"Have not considered yet"
Participant 10	"I do not have much information about it"

benefiting due to a lack of awareness. In addition, although qualified people receive housing assistance through FLISP, the programme has not been able to adequately address housing issues due to issues of equity amongst other factors such as budgetary constraints and administrative inefficiencies. Similarly, in a study by Freemark and Steil (2021), the US lags behind the UK and France both in terms of the share of subsidised units and the degree to which these units are evenly distributed across municipalities. These findings imply that issues of equity and distribution of houses are unjust in most cities across the world.

Table 7 indicates that 8 participants will in future "apply for FLISP" if they qualify for it and 2 participants indicated that they would "build a home in the rural area" or "build a new home." These responses were based on the fact that they have been employed for less than 3 years and have other financial responsibilities that hinder them from wanting to own houses yet. Also, the participants were in Gqeberha for work purposes and had not considered getting houses. According to Limba (2019), numerous low-income earners exhibited reluctance to relocate to the affordable housing units provided by the government and private sector, such as the Breaking New Ground (BNG) houses, primarily due to their remote and isolated locations, which were far removed from their places of employment, educational institutions,

TABLE 7 Qualifying citizens opting for housing subsidies if they were aware.

Participants (left)	Responses (right)
Participant 1	"Apply for FLISP"
Participant 2	"Apply for FLISP"
Participant 3	"Apply for FLISP"
Participant 4	"Yes, I would apply for FLISP"
Participant 5	"Build a home in the rural"
Participant 6	"Build a new home"
Participant 7	"Apply for FLISP"
Participant 8	"Apply for housing subsidy program FLISP"
Participant 9	"Would opt for FLISP"
Participant 10	"Apply for FLISP"

and social support systems. Even though residents could opt to apply for housing subsidies if they were aware, the limited supply of housing units and affordability remain constraining factors toward this goal thus, there is a tremendous need for adequate housing provision for low-income households worldwide.

4.5 Inadequate and irregular income

The case study findings revealed that the lowest income was R2,600 on Table 4 above R3,500 with 1 participant. Two (2) participants were earning an income ranging from R3,600 on Table 4 above R4,500 and the highest income ranging from R4,600 + with 7 participants. The former Minister of Human Settlements, Minister Mnamoloko Nkensani Kubayi, in an interview with DJ Fresh on the 9th of November 2024, said:

"We are speaking with banks because of the need for transformation, we have a programme called First Home Financing which is targeted at young people but even if you are older but you are buying a home or owning for the first time you get support from us, so you go to the bank you get your bond you must earn between R15,000–R22,000, we are saying R3500 but it does not work with anything below R5,000 that is why we are currently working with reviewing our BNG qualifications to be around R5,000 on Table 4 above R6,000 but at the moment R15,000 on Table 4 above R22,000 you do get our grant, we reduce your rate of repayment to the banks that is the intervention we are doing to support".

Considering the income levels of the participants interviewed, which are inadequate and irregular income, low-income earners may encounter difficulties in securing mortgage loans and property, thereby rendering them ineligible for housing subsidy programmes. This implies that, according to the requirements of banks, it is difficult to access housing subsidies if individuals have inadequate and irregular income with low earnings, which restricts their capacity to accumulate savings, obtain loans, and repay housing debts. Although most participants from this study had incomes above R3,500, which is within the required wages to qualify for the FLISP – households earning between R3,501 and R22,000 per month, that income

restricts them from saving, obtaining loans, and repaying housing debts. In this regard, the results of the study indicate that 3 participants qualified for a home loan, 1 participant did not qualify for a home loan and 6 participants of them were not sure whether they qualified or not. According to Blackwell and Kohl (2018), NHFC was created to give low-income groups access to affordable housing finance to homebuyers or the purchase of their preferred residential property or home. However, the South African housing finance system began to suffer setbacks because of political unrest before 1994, especially for most commercial banks providing home loans to low-income families. Although there is tremendous growth in housing finance, households that suffer the negative outcomes of failed housing subsidy programmes due to low income persist since the demand for homeownership remains strong for informal settlement dwellers and backyarders. Thus, numerous low-income earners found themselves unable to meet the income prerequisites and criteria stipulated by housing subsidy initiatives, such as the FLISP, which is aimed at households earning between R3,501 and R22,000 per month. To buttress this point, 3 of the interviewed participants had enough credit scores to apply for a home loan, and 7 participants were not sure if they had enough credit scores to apply for a home loan. Coetzee (2018) confirms that people fail to acquire approval for their mortgages due to poor credit ratings, which would once again limit a FLISP subsidy from being delivered. Significantly, when some residents miss work due to personal reasons, their incomes are deducted, showing uncertainties in their monthly income. In South Africa, commercial banks target the higher market – mainly in urban areas and hesitate to grant mortgage loans to low-income groups (Limba, 2019). It is clear that inside the metros, the largest number of households without adequate housing are those earning between R4,001 and R17,000 per month, although demand is more acute for those earning between R4,001 and R9,000 per month (Mbandlwa, 2021: 6759). This implies that low-income earners will not be able to afford homeownership. In response to the market failure, the South African government has adopted measures that foster relationships between commercial banks and the public sector to enhance and address accessibility to affordable housing finance for low-income groups, but the positive outcome is yet to be realised.

5 Conclusions, recommendations, and implications of the study

This study aimed to investigate the barriers to accessing housing subsidies for low-income earners residing in New Brighton Township, Gqeberha, and to gain insights from urban dwellers. It identified various obstacles, ranging from a lack of national awareness or publicity campaigns about the Finance Linked Individual Subsidy Programme (FLISP) to the limited availability of housing delivery programs tailored for informal settlements and backyard dwellers, as well as eligible citizens choosing not to apply for housing subsidies due to inadequate and irregular incomes. The research found that low-income households in New Brighton had a limited and distorted understanding of the housing subsidy programmes, resulting in frequent confusion between FLISP and Breaking New Ground (BNG) houses and other initiatives, such as the Reconstruction and Development Programme (RDP) houses. This implies that the lack of knowledge, clarity, and satisfaction

deterred many low-income earners from applying for or accepting housing subsidy programmes and units. The research also highlighted the limited role of the state in implementing programmes as intended to meet the housing needs of the urban poor, primarily due to national budgetary constraints. These budgetary limitations restrict the availability of housing delivery programmes, prolonging residents' tenure in informal settlements and backyards. Additionally, structural challenges and administrative inefficiencies in delivering housing programmes for those in informal settlements and backyards were noted. Consequently, while qualified individuals receive housing assistance through FLISP, the programme has not sufficiently addressed housing issues due to equity problems and other aforementioned factors. Moreover, the research identified a low participation rate in securing housing subsidies stemming from mixed feelings regarding affordability and lack of awareness, resulting in many eligible individuals being indirectly discouraged from considering FLISP. Although the programme targets first-time homeowners among low-income earners, the findings emphasise that residents in New Brighton are often faced with inadequate and irregular income, hindering their ability to obtain mortgage loans and property. Furthermore, the qualifying income range for FLISP – R3,501 to R22,000 per month – effectively excludes some residents, as South African banks do not consider amounts below R5 000. Finally, even if residents were aware of the option to apply for housing subsidies, the limited supply of housing units and affordability remain significant constraints. Hence, there is a pressing need for adequate housing provisions for low-income households globally. As governments in South Africa and other African nations grapple with rapid urbanisation, it is estimated that nearly one billion people, or one-third of the world's urban population, reside in informal housing. Therefore, if the FLISP (housing subsidy) proves successful, it could significantly help reduce housing backlogs, with implications for not only the Nelson Mandela Bay Municipality but also South Africa and other developing nations facing similar challenges.

Based on the findings, the following recommendations are proposed:

The National Department of Human Settlements, in collaboration with the public and private sectors, should initiate programs to educate employees about the various government subsidy programs for which they may qualify at their workplaces. This information will assist those who work long hours, those unaware of these programs, and those uncertain about where to seek assistance after obtaining this information. Additionally, the government will benefit from providing essential services to its citizens. Furthermore, individuals living in backyards interested in owning apartments should consider the FLISP program through installment sales or rent-to-own agreements, as they currently pay substantial rent for houses or small back rooms. Lastly, individuals who have never owned a home and have applied for other subsidies should explore purchasing through FLISP using a pension or provident fund to avoid home loans. Those already receiving their pensions and awaiting payouts should consider acquiring land in rural areas, as it is typically more affordable than in suburban regions. FLISP should also be implemented in rural areas to improve the availability of housing delivery programs and mitigate the expansion of informal settlements and backyard dwellings in urban areas, especially in the absence of plans to upgrade informal settlements or establish rent-to-own agreements.

The study, informed by housing policy and the housing deficit perspective of Moore, along with the quest for homeownership in the

post-apartheid era, warrants significant attention to help low-income groups achieve societal status and economic well-being. As highlighted in the literature, neoliberal policies (market-driven) remain prevalent in developed countries, and South Africa is no exception, despite movements toward both welfare and neoliberal approaches. This underscores the necessity of prioritizing the right to housing, particularly access to one's own space, to contribute toward valuable subsidized solutions for low-income earners in South Africa.

The implications of this study for theory are that it contributes to the scholarship on homeownership, which is recognised as facing demand and supply challenges that impede access to housing for low-income earners. In terms of policy, the study emphasises that housing policy should integrate and enforce the raising of awareness and review administrative strategies to enhance the efficiency of essential programmes such as FLISP, which aim to provide adequate housing for the poor. Practically, although the requirements of FLISP were amended in 2022, there are still issues with banks that need to be addressed to ensure the success of this programme, as in reality, R3,501 is too little to secure bonds from banks. While there are alternatives beyond traditional banks, as outlined in the introduction, these options require further exploration to assess their effectiveness. Additionally, improving the design, delivery, and monitoring of housing subsidy programmes by the National Department of Human Settlements and other stakeholders to enhance their capacity for the benefit of low-income households and communities could be significant timelier.

The study acknowledges the limitation of a sample size of 10 face-to-face interviews focusing on urban dwellers' perspectives. Thus, future research could explore larger samples through surveys or questionnaires to gain deeper insights into the barriers to accessing housing subsidies for low-income and middle-income earners in other regions of South Africa. Future studies could also incorporate the perspectives of local municipalities to obtain a comprehensive understanding of housing subsidies. As a result, barriers to accessing housing subsidies for homeownership could be mitigated if various sectors, such as banks, municipalities, and citizens, collaborate to challenge the status quo regarding the demand for housing visas versus the supply of housing units in a low-income population like South Africa.

The findings from the literature highlight the gap in scholarship regarding the discrepancies in the conceptualisation of low-income earners as it relates to income levels. These discrepancies and mismatches in concepts may lead to misrepresentation of data within each category, as there may be overlaps in conceptualising terms.

Data availability statement

The original contributions presented in the study are included in the article, but the study participants did not give written consent to

share their data publicly. The authors will make anonymised data available without undue reservation.

Ethics statement

The study involving humans was approved by the Nelson Mandela University Research Ethics Committee: Human (REC-H). The studies were conducted following the local legislation and institutional requirements. The participants provided their written informed consent to participate in this study.

Author contributions

FM: Conceptualization, Methodology, Visualisation, Writing – original draft. SM: Conceptualization, Supervision, Writing – review & editing. PH: Conceptualization, Methodology, Formal analysis, Supervision, Visualization, Writing – original draft, Writing – review & editing.

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Conflict of interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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