

Title

Bridging to Equity: Evaluating the Finance-Linked Individual Subsidy Programme in Addressing South Africa's Housing 'Gap Market'

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Abstract

Programme evaluation is a critical component of programme management that is utilised across sectors to ensure value for money, impact and sustainability of a programme. Government policies related to housing provision in South Africa have been subject to considerable criticism. A gap in the housing market led to the adoption of the Finance Linked Individual Subsidy Programme (FLISP). Since its launch in 2012, the FLISP has performed below its target with a reported low uptake from target beneficiaries. This article evaluates the implementation of FLISP, to explore and identify blockages in its implementation and barriers to unlocking access to affordable housing for the gap market. Qualitative research methods have been employed, comprising textual analysis and semi-structured interviews with the programme implementers. In addition to programme design and implementation challenges, the study revealed complex socio-economic factors with relevance to the gap market that have a direct bearing on access to housing finance. The researchers conclude that FLISP as a finance-linked subsidy programme does not adequately meet the needs of the gap market and recommends, inter alia, removing the mortgage restriction for FLISP to achieve its redistributive objective.

Key words

housing subsidy, financial inclusion and exclusion, programme evaluation, South Africa housing policy, socioeconomic challenges

Key dates

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Introduction and Background

In the past, the government's social housing interventions were focused on alleviating the plight of the poorest. However, the housing need in South Africa has widened and reached the employed who are part of the 'middle class' or the gap demographic, which is considered neither rich nor poor. These are individuals with a steady income but who are systematically excluded from the formal property market, thus condemned to live in squalid and overcrowded conditions (Turok and Scheba, 2018:21). The rate of housing delivery in South Africa has not been on par with the growing demand nor is it serving the diverse needs of the market.

The Finance Linked Individual Subsidy Programme (FLISP) was introduced in 2012 to close this gap by unlocking affordable housing for lower-income earners, but the uptake of this intervention remains underwhelming. FLISP was introduced as a mortgage-linked subsidy with the assumption that it would assist households in increasing their chances of being bankable to obtain mortgage finance. However, the gap market is often over-indebted and thus considered a credit risk by lenders, which then affects access to credit finance (Hoek-Smit & Cirolia, 2019). The purpose of this study was to assess the implementation of FLISP by the National Housing Finance Corporation (NHFC) and the Department of Human Settlements (DHS) and to identify constraints in the uptake and blockages in unlocking access to affordable housing for the gap market.

South Africa grapples with entrenched housing challenges stemming from historical legislation like the 1920 Housing Act, fostering racial segregation and spatial disparities (Mchunu & Nkambule, 2019:1). Despite the transition from apartheid to democracy, socio-economic issues persist, including unemployment, poverty, and income inequality, positioning South Africa among the world's most unequal nations, (Kuhlengisa, Rulashe, & Jakoet-Salie, 2024). Consequently, many rely on government aid for essential services, notably housing. The right to housing, enshrined in the Freedom Charter (1995) and Constitution (1996), obligated the post-apartheid government, led by the ANC, to redress socio-economic disparities (Mabin, 2020:13). The 1997 Housing Act aimed to dismantle apartheid-era housing laws. However, the heavy reliance on government support for housing, compounded by complexities in the housing sector, has posed significant challenges. Initially targeting

those earning less than R3500 per month for fully subsidized housing, the government inadvertently excluded a group earning slightly more, yet unable to access traditional bank mortgages (Lemanski, 2017:22).

This "gap market" comprises the working class, trapped in informal housing due to exclusion from formal markets (Turok & Scheba, 2018:21). To address this gap, the Finance Linked Individual Subsidy Programme (FLISP) was introduced to enhance the bankability of this group. Despite widespread recognition of its necessity, FLISP uptake remains low (Hoek-Smit & Cirolia, 2019:9). Merely 2793 subsidies were approved between April 2012 and March 2015, far below the target of 70,000 by 2019 (Hoek-Smit & Cirolia, 2019:12). Acknowledgment of its poor performance came from the Human Settlement Department's Operational Policy Frameworks' Chief Director in 2019 (Mail & Guardian, 2019). This article gives theoretical perspectives on public sector programme evaluation and the context of affordable housing about the gap market and concludes with recommendations on how best to implement FLISP to unlock affordable housing into the future.

Conceptual and theoretical perspectives

Programme evaluation and the context of affordable housing

Public sector programme evaluation

Public sector programmes compete for limited government funds, creating pressure to demonstrate value for money and tangible impact on communities. Evaluation research assesses whether a programme meets its goals by answering key questions: Is the programme effective? If not, why? And how can it be improved? (Conradie, 2020). Programme evaluation offers a systematic way to measure outcomes and assess performance. Effective evaluations focus on how efficiently resources are converted into results (Cloete et al., 2014) and provide essential feedback to guide future decisions (Naidoo, 2011). Evaluations help identify early issues and develop corrective measures by examining service needs, programme design, implementation, outcomes, and efficiency (Stufflebeam, 2001). Khan and Rahman (2017:174) emphasise that programme evaluation assesses a policy's performance, efficacy, and value, requiring

a thorough analysis of the factors influencing its success.

Wollmann (2017:491) highlights two types of policy evaluation: (1) an analytical tool to investigate outcomes and processes, and (2) a phase in the policy cycle that reports on the policy-making process. Evaluations may be conducted before, during, or after implementation (Khan & Rahman, 2017). This study focuses on implementation evaluation, which assesses programme performance during delivery to ensure quality service and compliance (Conradie, 2020). Implementation is complex, involving multiple stakeholders and systems. Understanding the operational context is crucial in determining whether it enables or hinders the programme's success (Cloete et al., 2014; Wollmann, 2017).

The context of the gap market and affordable housing in South Africa

Access to adequate housing is essential for reducing poverty and improving quality of life, as it underpins economic, social, and cultural rights. South Africa's housing landscape reflects a rural-urban divide and historic spatial inequalities, resulting in diverse housing types, including social housing, township houses, informal settlements, and rural dwellings (Totaforti, 2020:3; Scheba & Turok, 2020:112). Rapid urbanisation and immigration have exacerbated the housing crisis, particularly in metropolitan areas, leading to overcrowding and informal settlement growth, which strains housing services. While progress has expanded the black middle class, income inequality remains stark, with 73% of the population earning R5000 or less per month (Zizzamia, 2016:2). Despite a decrease in poverty levels, real income growth has been concentrated at the top and bottom of the economic spectrum, with the latter driven by social grants (Twenty Year Review, 2014). This persistent inequality has created a gap market—households earning between R3501 and R22 000 monthly, who neither qualify for full government housing subsidies nor access traditional mortgage finance (NHFC, 2019).

Sub-market	Description
Old township stock	A formal housing unit including free-standing and semi-detached houses and flats.
RDP stock	Housing stock built as part of the national housing subsidy programme since 1994. It consists of either a formal free-standing housing unit on an ownership basis, a flat, cluster or free-standing house provided for rental or a site with funding for the development of a dwelling.
Informal settlements	Informal dwellings erected by the occupants using non-conventional building materials. Structures are often erected on the land without the permission of the owner. No title is available due to the informality of the settlements.
Private stock	A formal free-standing housing unit developed by a private sector developer who sells the unit to the buyer
Site and service stock	Provided by the government as part of a project whereby households are provided with a site and services and are required to develop the top structure on their own.

Table 2: Characteristics of Residential property in low-income areas: (Source: UN-HABITAT 2008)

Housing affordability remains a significant barrier, as homes priced under R300 000 are considered "entry-level," and those between R300 000 and R600 000 fall under the "affordable" category (CAHF, 2020). The entry market is dominated by free government-subsidised houses aimed at households earning below R3500 per month. However, any housing policy that overlooks the challenges of the gap market proves inadequate. Affordable housing is defined as housing where total costs, including taxes and utilities, do not exceed 30% of a household's gross income (Spatial Development Framework 2040, 2016). In 2019, 67% of houses in the entry market and 33% in the affordable market were government subsidised. However, the availability of affordable housing has declined steadily since 2015 across both new construction and resale markets (CAHF, 2020).

Articulating the finance-linked individual subsidy programme

The South African government has implemented various National Housing Subsidy programs aimed at providing access to adequate housing for low- to middle-income earners and the impoverished, yielding significant impacts such as poverty alleviation and the restoration of human dignity (Fieuw & Mitlin, 2018:215). The inception of the Breaking New Ground (BNG) initiative in 2004 marked a pivotal shift towards sustainable human settlement, fostering livable, well-managed, and equitable communities with integrated economic and social infrastructure (McGarry, 2018:1). One such initiative, the Finance Linked Individual Subsidy Programme (FLISP), was introduced as a financial tool targeting households earning R3500 or less. The National Housing Finance Corporation was designated by the Department of Human Settlements to administer FLISP, aiming to offer

down-payment support to the "gap market" comprising first-time homebuyers ineligible for full government subsidies or traditional bank loans (Limba, 2018:13; Hoek-Smit & Cirolia, 2019:3). FLISP subsidies, ranging from R27,960 to R121,626, are tailored to household income levels, facilitating affordable mortgage terms (NHFC, 2021). Initial expectations held that FLISP would stimulate private housing supply for lower-income groups and expand the secondary housing market (Hoek-Smit & Cirolia, 2019:9). Despite the relatively higher credit risk inherent in the low-income market, financial institutions, guided by the Financial Services Charter, could viably extend mortgage loans under FLISP, contributing to its sustainability (Hoek-Smit & Cirolia, 2019:9).

Rationalisation of the Finance Linked Individual Subsidy Programme (FLISP)

The Finance Linked Individual Subsidy Programme (FLISP) is a once-off demand-side subsidy aimed at the gap market (Maluleke, 2016). This subsidy ranges from R121,626 to R27,960 on a sliding scale, allowing households with lower monthly incomes to qualify for larger amounts (Hoek-Smit & Cirolia, 2019). It can be used to purchase a new or existing residential property, acquire a vacant serviced residential stand linked to a National Home Builders Registration Council (NHBRC)-registered homebuilder contract, or construct a property on a self-owned serviced residential stand using an NHBRC-registered homebuilder. FLISP's primary goal is to enhance access to affordable housing for low-income earners by providing financial assistance towards their mortgages. The study identifies several critical objectives of FLISP, including providing subsidies to eligible beneficiaries who have secured mortgage finance for acquiring either an existing house or a vacant serviced stand.

The underlying assumptions of FLISP are that it will assist households in improving their bankability for mortgage finance, reduce the initial mortgage amount to make monthly loan repayments more manageable, bridge the gap between the approved mortgage amount and the purchase price, cover the costs associated with acquiring a serviced stand for constructing a housing structure, and encourage municipalities to offer suitable land for affordable housing development at no cost. The implicit assumption behind FLISP is that a demand-side subsidy linked to a mortgage loan would help unlock affordable housing for low-income households. Another assumption is that the housing market in

South Africa is suitably positioned to cater to the affordable market in terms of demand. Lastly, the lower-income band of the gap market would be able to build a house if a serviced stand subsidy is available.

EXAMPLE 1 FLISP REDUCES LOAN		EXAMPLE 2 FLISP AUGMENTS LOAN	
PROPERTY AMOUNT	R300 000	PROPERTY AMOUNT	R300 000
BANK APPROVED LOAN	R300 000	BANK APPROVED LOAN	R206 474
LESS FLISP	R93 526	PLUS FLISP	R93 526
LOAN AFTER FLISP	R206 474	LOAN AFTER FLISP	R206 474

Figure 1: FLISP subsidy quantum examples (Source: NHFC, 2020).

Implementation of FLISP

The Finance Linked Individual Subsidy Programme (FLISP) was revised in 2012, with the National Housing Finance Corporation (NHFC) initially administering the programme in Gauteng and later assuming national responsibility in 2019. FLISP funding is allocated by the National Department of Human Settlements through the Human Settlements Development Grant (HSDG) to the NHFC and provincial departments for integrated rural development (IRDP) projects. FLISP can be accessed in two ways: through the NHFC, particularly for resale property purchases, or via provincial departments under new IRDP housing projects (Walker et al., 2019).

Its implementation relies on a public-private partnership to develop affordable housing, requiring close collaboration between state and private sector stakeholders. Thurman (1999:8) outlines the key roles:

National government: Sets policies, standards, and norms; monitors programme delivery; supports provincial and municipal roles; and distributes funds.

Provincial government: Administers housing programmes, adopt necessary legislation, and supports municipalities.

Local government: Ensures access to housing by providing essential services (water, electricity, sanitation, roads) and designating land for housing development.

Private sector: Provides home loans to the lower-income market, offering affordable finance at below-prime rates.

Programme Shortcomings

The implementation of FLISP faces both demand and supply-side challenges. Limba (2018) found that both beneficiaries and banks lacked awareness of the programme. Additionally, the subsidy amount was insufficient to significantly reduce mortgage loans, and delays in the application process disrupted property purchases. Since FLISP's 2012 revision, inequalities have emerged between subsidy types. Beneficiaries of serviced site subsidies receive less support compared to those using mortgage-linked subsidies (Walker et al., 2019). This disparity particularly affects lower-income households, who often do not qualify for mortgage loans. Developers also express concerns about potential customer resistance, as there is no clear government policy on starter housing for serviced site subsidies (Walker et al., 2019). The table below shows FLISP's performance regarding approved and disbursed subsidies between 2015 and 2019. In her 2021 budget speech, the Minister of Human Settlements set a target of 7,600 beneficiaries for the 2021 financial year.

2015	2016	2017	2018	2019
2121	2660	4696	1564	4660

Table 1: FLISP statistics in a five-year period (Source: Moss, 2021)

Spatial justice as a grounding theory

Soja, (2010) sees spatial justice as the fair distribution of resources, opportunities, and environmental benefits across different geographical areas within cities, with a focus on addressing spatial inequalities and promoting inclusive urban development. It recognises that spatial patterns, structures, and processes are shaped by social, economic, and political factors and that unequal access to resources and services often manifests spatially, leading to disparities in living conditions and quality of life for different communities. In South Africa, these inequalities were caused by the apartheid's separate development policies and system.

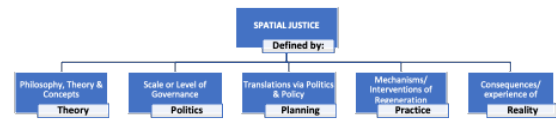


Figure 2: Spatial Justice Theory – Source: Bissett. (2015)

Spatial justice, particularly regarding the Finance Linked Individual Subsidy Programme (FLISP) in South Africa, encompasses various dimensions that highlight the intricate interplay between theory, politics, planning, practice, and reality. Theoretically, spatial justice advocates for the equitable distribution of housing resources and opportunities across different geographic areas, seeking to address spatial inequalities and foster inclusive urban development. This notion aligns with Harvey's (1973) concept of social justice, which underscores the importance of fair access to urban resources and amenities for all residents. However, South Africa's political landscape complicates this ideal, as historical legacies of apartheid continue to shape spatial patterns and housing access. Despite government commitments to rectify these inequalities, political dynamics and competing interests may affect the implementation and efficacy of housing policies like FLISP.

In practice, FLISP embodies a combination of planning strategies designed to enhance homeownership access for low- to middle-income households while contending with the realities of South Africa's housing market. The programme aims to assist households below a certain income threshold in obtaining housing finance. Its success in achieving spatial justice depends on factors such as the availability of appropriate housing stock, the responsiveness of financial institutions, and the capacity of government agencies to administer subsidies effectively (Marais & Cloete, 2017). Additionally, on-the-ground challenges, including bureaucratic obstacles, insufficient funding, and the ongoing presence of informal settlements, highlight the difficulties in translating spatial justice principles into tangible outcomes within the South African context.

Research design and methodology

The main focus of the study was on the implementation of FLISP, particularly by the

implementing agents: National Housing Finance Corporation (NHFC) and the Department of Human Settlements (DHS), both National and Provincial. While NHFC is the appointed implementing agent of FLISP for the secondary market - which mainly consists of resale residential stock - the provinces' implementation role is primarily in the new IRDP social housing projects. The study made use of purposive sampling in order to select senior officials from NHFC and DWS who were in a position to provide relevant information on the implementation of FLISP. The sample comprised four officials from the National Department of Human Settlements (NDHS), two officials from the Eastern Cape Provincial Office (ECP), two officials from the Western Cape Provincial Office (WCP), and two officials from NHFC. Data were collected from these implementers during the last quarter of 2021. The study utilised in-depth, semi-structured interviews as the research instrument.

Findings

The study indicates that the low uptake of the Finance Linked Individual Subsidy Programme (FLISP) results from both design and implementation factors. Between 2012 and 2015, only 2,792 subsidies worth R140,000 were approved, which represents a small fraction of the budget. Similarly, in the 2020 financial year, only 1,972 subsidies were approved against a target of 7,398. Although a subsidy programme is needed for the gap market, the current mortgage-linked subsidy model primarily excludes lower middle-income households earning between R3,501 and R10,000 monthly.

The design of FLISP

FLISP was intended to support households with incomes from R3,501 to R22,000. However, the existing housing and financial markets in South Africa do not adequately serve the lower-income group within this gap market. For instance, households earning less than R10,000 a month often cannot secure bank mortgage loans, creating a significant gap. While access to finance is crucial for obtaining affordable housing, concerns over employment instability among low-income earners have led banks to favour higher-priced segments, resulting in conservative lending practices at the lower end. Furthermore, the available stock in the affordable housing market is often not affordable for this demographic, as most new housing below R300,000 is government subsidised. The design of

FLISP also excludes rural households due to banks not recognising communal land tenure for mortgage financing. This limitation means many potential beneficiaries cannot access the programme. The literature review revealed that socio-economic challenges, such as household indebtedness, which FLISP does not address, are directly linked to affordability and access to finance. As a result, the gap market mainly consists of individuals with impaired credit records who are unlikely to afford a home loan.

The implementation of FLISP

Regarding implementation, the study found that the appointment of the National Housing Finance Corporation (NHFC) has not been welcomed in all provinces, leading some to prefer direct implementation of FLISP. This reluctance stems from NHFC's poor performance and lack of presence in various provinces, resulting in unstandardized implementation, duplicated efforts, and inefficient resource utilization. However, some provinces have adopted effective implementation strategies, such as offering retrospective approval of applications to reduce turnaround time and issuing letters of guarantee to pre-approved applicants to expedite the purchasing process. Manual processing of applications further delays the process, particularly given the competitive nature of the housing market. As a sector-wide instrument involving multiple stakeholders—beneficiaries, banks, NHFC, provinces, bond originators, and estate agents—the study identified a misalignment of priorities among these stakeholders. For instance, FLISP approval is contingent on mortgage approval, but the gap market is unattractive to lenders due to perceptions of risk associated with household debt. The success of affordable housing development also relies heavily on municipalities providing suitable land, which is sometimes not a priority for them. Even though NHFC was appointed as a national implementing agent, provinces continue to implement FLISP, focusing on new builds as part of the Integrated Rural Development Programme (IRDP). Performance issues since NHFC's appointment have led provinces like the Eastern and Western Cape to opt out of affiliation with NHFC. FLISP approvals are contingent upon applicants securing a mortgage-backed loan from a bank or lender.

FLISP was previously administered by provincial departments until 2012 where NHFC was appointed as implementing agent.... (Respondent N1)

...provinces can still implement FLISP in IRDP mixed-income development that caters for BNG, social housing, market-related bonds and FLISP cross-subsidization (Greenfield projects) (Respondent N2)

FLISP is implemented through NHFC based in Gauteng mainly for secondary market while the provinces implement the new built market.... (Respondent P4)

Several gaps in the implementation of FLISP hinder access to affordable housing. First, there is a lack of awareness of the programme among target beneficiaries, who often misunderstand it, as do some public officials responsible for its execution. There is also a misalignment between the National Housing Finance Corporation (NHFC) and the provinces, with some provinces continuing to implement FLISP independently of NHFC. Furthermore, the NHFC's visibility is limited, as it operates only from Gauteng. The application process is prolonged, typically taking about 21 days due to manual submission and processing, compounded by the absence of an interfaced system among stakeholders. Additionally, conflicting priorities among stakeholders negatively affect the programme's overall implementation. The affordability of housing in the entry-level market is often out of reach for the gap market, and many households in this sector are heavily indebted, which further restricts their access to mortgage finance. Lastly, there is a general lack of interest from lenders and developers in investing in the affordable housing market.

Policy and Legislative Articulation and Applications for Housing/ FLISP

See Table 3 appended

Discussion

The low uptake of the Finance Linked Individual Subsidy Programme (FLISP) reveals significant design and implementation challenges. Between 2012 and 2015, only 2,792 subsidies, valued at R140,000, were approved, representing a fraction of the budget. In the 2020 financial year, just 1,972 subsidies were approved against a target of 7,398. Although FLISP aims to assist the gap market, its mortgage-linked structure largely excludes lower middle-income households earning between R3,501 and R10,000 a month. The design of FLISP fails to reflect the realities of South Africa's housing and financial markets. Households earning under

R10,000 typically do not qualify for bank mortgages, and the reluctance of banks to lend to lower-income groups exacerbates this issue. The available affordable housing stock is often unaffordable for this demographic, primarily because most options under R300,000 are government subsidised. Moreover, FLISP's design excludes rural households due to the banks' non-recognition of communal land tenure. Implementation issues arise from the NHFC's appointment, which has not been uniformly accepted across provinces. Some prefer direct implementation due to perceived inefficiencies, leading to unstandardised practices and resource duplication. Although provinces have developed effective strategies, the manual processing system contributes to long application turnaround times. Furthermore, the misalignment of priorities among stakeholders, including beneficiaries and banks, hampers FLISP's efficacy. To improve FLISP, several recommendations are proposed for policymakers. First, remodelling FLISP by removing the mortgage requirement would broaden its accessibility, particularly for rural households, by incorporating alternative funding mechanisms such as personal loans. Second, the NHFC should enhance collaboration with provinces to optimise resource use and reduce duplication. Transitioning to a digital platform would streamline the application process and reduce turnaround times. Effective stakeholder management is imperative in ensuring and enhancing commitment and collaboration across the programme's value chain. A limitation of this study is the homogenous sample population, which did not include diverse stakeholders such as beneficiaries and developers. Future research should incorporate a broader range of perspectives to gain a comprehensive understanding of FLISP's challenges and opportunities.

Conclusion

Like most developing countries, South Africa is faced with deepening housing challenges, whose origins can be traced back to the 1920 Housing Act, which resulted in racial segregation and spatial inequalities (Mchunu & Nkambule, 2019). Despite the South African government's efforts to reverse apartheid's geo-political system of racial discrimination, it remains a characterising factor of South Africa even today, twenty-two years into the 21st century.

Based on the findings of the study, it can be concluded that there can be no one-size-fits-all solution that can adequately address the increasing housing demand, as the challenges differ between households and provinces. As the housing demand increases, so do the complexities and varieties of the demand. The following ultimate conclusions from the study can be drawn: (a) FLISP is still relatively unknown and there is a need for NHFC to devise sustainable communication and marketing strategies for a wider reach; (b) there are implementation bottlenecks that require adequate systems and resources to ensure timely delivery of services; (c) there are variations and inconsistencies of implementation between NHFC and the provinces and that some provinces are performing better, despite budgetary constraints; (d) affordability is a major challenge that hinders FLISP from unlocking the affordable housing market and (e) FLISP as a finance-linked instrument is not adequate or suitable to cater for the needs of the gap market and this has created the gap within the gap market.

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Ethics clearance

The study adhered to all institutional and external stakeholders' ethical considerations. Ethical Clearance certificate submitted to the journal.

Consent for publication

Not applicable.

Availability of data and materials

Data and materials associated with this study are available upon request and is available online.

Conflict of interest statement

The authors of the manuscript declare that there is no conflict of interest, and all reference materials were duly acknowledged.

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Policy/ Legislation	Relevant Section	Direct Quote/ Outline	Articulation	Application
<i>Constitution of South Africa of 1996</i> <i>Chapter 2: Bill of Rights</i>	Section 26(1)	“Everyone has the right to have access to adequate housing”.	The Constitution of RSA recognises the right to adequate housing as a fundamental human right, placing an obligation on the government to take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.	FLISP is one of the mechanisms through which the government fulfils its constitutional obligation to provide access to adequate housing for all South Africans. By assisting low to middle-income individuals in purchasing homes, FLISP contributes to the realisation of the right to housing as enshrined in the Constitution.
	Section 26(2)	“The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right”.		
	Section 26(3)	“No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions”.		
<i>Housing Development Act (No. 23 of 2008)</i>	Section 2	The purpose of the Housing Development Act 23 of 2008 in South Africa is to facilitate sustainable housing development, ensure access to adequate housing, and regulate the housing sector effectively.	Section 2 aims to promote sustainable housing development and equitable access to housing opportunities in South Africa.	The Housing Development Act empowers the national government to develop and oversee national housing policies, including initiatives like FLISP. It also allows provincial governments to tailor housing interventions to meet local needs and conditions, ensuring a coordinated and effective approach to addressing housing challenges across South Africa.
<i>Housing Act 107 of 1997</i>	Section 2(1)	The objects of this Act are to facilitate the progressive realisation of the right of access to adequate housing enshrined in section 26 of the Constitution by:	The section underscores the Act's objective to facilitate the gradual fulfilment of the constitutional right to adequate housing for all citizens of South Africa. It emphasises creating a conducive environment for housing provision, especially for those who cannot access housing through the market and establishing regulations to govern the relationship between housing consumers and institutions.	The Housing Act 107 of 1997 provides the legislative framework within which programs like the Finance Linked Individual Subsidy Programme (FLISP) operate. By aligning with the objectives outlined in the Act, FLISP aims to promote access to adequate housing for low to middle-income households, thereby contributing to the realisation of the goals outlined in the Housing Act. FLISP's focus on assisting first-time homebuyers in accessing affordable housing finance directly supports the Act's objective of facilitating access to housing for all South Africans, especially those in need.
		(a) creating an environment conducive to the provision of housing to all people, and in particular to those whose housing needs are not addressed by the market; and		
	Section 2(1)	The objects of this Act are to provide for the facilitation, regulation and capital funding of social housing in order to,	Section 2(1) outlines the objectives of the Social Housing Act, which include facilitating and	FLISP expands housing options for low to middle-income individuals by facilitating homeownership through affordable finance. This contributes to

<i>Social Housing Act 16 of 2008</i>		(a) create an environment that enables and supports the development of sustainable social housing institutions;	regulating social housing to create an environment conducive to the development of sustainable social housing institutions. It aims to provide access to housing for low and moderate-income households in designated areas and promote the sustainable development of rental housing for such households.	broader housing accessibility goals, including providing rental options. FLISP recipients, if they choose to rent out their properties, indirectly support social housing by offering affordable rental units where they are scarce. Thus, FLISP aligns with the Social Housing Act's aim to enhance housing affordability and choices for low-income households.
		(b) provide access to housing for low-income and moderate-income households in designated restructuring zones, identified urban regeneration areas and any other area identified by the Minister in terms of section 7(1); and		
		(c) promote the sustainable development of rental housing for low-income and moderate-income households.		
<i>Housing Consumers Protection Measures Act 95 of 1998</i>	Section 2(1)	“The objects of this Act are to provide for the protection of housing consumers against defects in new homes and to regulate the home building industry so as to ensure that all new homes are constructed in a workmanlike manner and are suitable for habitation; and to provide for matters connected therewith”.	It outlines the objectives of the Housing Consumers Protection Measures Act, which include protecting housing consumers from defects in new homes and regulating the home-building industry to ensure that all new homes are constructed satisfactorily and suitable for habitation.	FLISP recipients benefit from the protections of the Housing Consumers Protection Measures Act, ensuring their homes meet quality standards and are built according to regulations. This Act also offers resolution mechanisms for any disputes between FLISP beneficiaries and developers. By ensuring quality and providing recourse, the Act strengthens FLISP's integrity, enhancing consumer confidence in the program.
<i>National Development Plan (NDP)</i>	Chapter 8: "Transforming Human Settlements and the National Space Economy"	“The NDP sets out the government's long-term vision for addressing socio-economic challenges, including housing. It emphasises the importance of affordable housing and outlines strategies for improving access to housing for low to middle-income households.”	The NDP provides a strategic roadmap for addressing housing challenges in South Africa, placing a strong emphasis on the importance of affordable housing and inclusive urban development.	FLISP aligns with the objectives and strategies outlined in the NDP for improving access to housing for low to middle-income households. It is recognised as a key component of the government's efforts to address housing affordability challenges and promote inclusive urban development across the country.
Other Policies and Regulations to consider: <ul style="list-style-type: none"> ➤ National Housing Code/ National Housing Code: FLISP Implementation Manual ➤ Housing Subsidy Regulations ➤ Integrated Urban Development Framework 				

Table 3: Policy and Legislative Articulation and Applications for Housing/ FLISP – Authors Construct