

THE FINANCED LINKED INDIVIDUAL SUBSIDY PROGRAMME FOR  
HOUSING: THE WALMER LINK EXAMPLE

By

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In accordance with Rule G4.6.3, I hereby declare that the above-mentioned treatise/dissertation/thesis is my own work and that it has not previously been submitted for assessment to another University for another qualification.

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## **ABSTRACT**

The study of the Walmer Links Finance Linked Individual Subsidy (FLISP) is the response to the housing backlogs that have been experienced by the Port Elizabeth area. The ownership programme is the first of its kind in the area and has been met with scepticism, revolt and acceptance as the neighbouring township of Walmer and the nearby suburbs had mixed feelings about the project. The overall feeling and experience of the new FLISP owners far exceeds the scepticism around the project. The project also brought racial integration and improved the quality of life for the poor. It also seems as though the success of the project will be the determinant factor of whether it can rolled out to other provinces as an approach to development and poverty alleviation.

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## **CHAPTER ONE: INTRODUCTION**

### **1. INTRODUCTION AND BACKGROUND TO THE STUDY**

Shelter in the form of housing is one of the most important human needs that ensure the well-being and the development of society (Human Rights Resource Centre, n.d). According to the South African Subsidised Housing Act (2008:55) the South African government's response to the huge housing demand for low and medium income households introduced the subsidised housing programme to meet the housing demand and eradicate poverty.

#### **1.1 The rational and background of the study**

Housing provision in South Africa has been one of the developmental challenges faced by the post-apartheid government of the African National Congress (ANC). Housing development and delivery in South Africa has generated a lot of debate amongst some academics and policy makers. Many studies have been conducted in the human settlement and housing development and this is another attempt to add to the body of knowledge out there.

According to Wilkinson (1998:215) the housing provision challenge faced by the current South African democratic government has been addressed through various initiatives like the Reconstruction and Development Programme of 1994. In 1994, when the democratic government of National Unity led by the African National Congress (ANC) came to power, its new constitution recognized housing as a human right for all.

The government made a commitment to address the injustices of the past through its housing policy and declared the provision of housing for the historically oppressed majority in South Africa to be a priority.

Zack and Charlton (2003) state that the RDP White paper of 1994 made a substantial progress in delivering housing to the poor in the period between 1994 and 2004. In general, the program has provided beneficiaries with access to basic services, security of tenure, shelter and fulfilled an important psychological need in fostering a sense of pride and dignity in having a place to call a home.

However, according to the GM South Africa Foundation (2013:1) the Reconstruction and Development Programme (RDP) of 1994 together with other similar projects have failed to eradicate the housing problem as it mainly addressed the plight of the unemployed and low income households whilst also neglecting the middle income households who did not qualify for neither the open market nor the free basic housing of the RDP in their provision of subsidised housing.

Dupreez and Sale (2011:1) state that subsidised housing is a relatively new concept in South Africa. Dupreez and Sale (2011:1) citing the Subsidised Housing Policy for South Africa (2005) continue to state that “the two primary objectives of the subsidised housing programme are to contribute to the restructuring of South African society in order to address structural, economic, social and spatial dysfunctionalities and to improve and contribute to the overall functioning of the housing sector in order to widen the range of housing options available to the poor”.

## **1.2 The research problem**

The neglect of subsidised housing provision for middle income households has been one of the major challenges that have resulted in huge housing delivery backlogs especially in the Nelson Mandela Metropolitan area in the Eastern Cape.



The Financed Linked Housing Subsidy Programme as stated by the GM South Africa Foundation (2013:9) is a pilot programme by the government in partnership with NGO's and the private sector in addressing the need for quality subsidised housing ownership option for middle income-households.

### **1.3 Research questions**

#### **1.3.1 Primary Research Question**

To what extent does the Finance Linked Individual Subsidy Programme (FLISP) address low-income need for affordable housing?

#### **1.3.2 Secondary research Questions**

1. What are the challenges of housing ownership for middle-income households in Port Elizabeth?
2. How does the FLISP housing ownership programme accelerate housing delivery in Port Elizabeth?
3. What are the basic conditions of qualifying for the FLISP ownership programme?
4. How has the FLISP ownership programme addressed the housing backlog in Port Elizabeth?
5. What needs to be done to improve the implementation of the FLISP ownership programme?

### **1.4 Research aims and objectives**

The principal objectives of this study are:

1. To investigate how housing delivery could better be utilised to enhance accelerated housing delivery in Port Elizabeth.
2. Identify the challenges facing housing delivery for middle income households.
3. Analyse the views of beneficiaries of the FLISP ownership programme and those responsible for the delivery of housing and make recommendations based on the findings of the study.

## **1.5 The scope and scale of research**

The research will be conducted in the province of the Eastern Cape with specific focus on the Walmer Link area in Nelson Mandela Bay Metro. According to the Adventure Province (2013) the Nelson Mandela Bay, uniting the city of Port Elizabeth and the towns of Uitenhage and Despatch, is a major seaport and automotive manufacturing centre located on the south-eastern coast of Africa in the Eastern Cape Province of South Africa. The city is one of seven metropolitan areas in South Africa and it is also a holiday hotspot for both national and international tourists. The predominant languages spoken are English, Afrikaans and IsiXhosa.

The Department of Human settlements (2009) states that in consistency with Section 156(4) of the Constitution of the Republic of South Africa 1996, the accreditation of municipalities to administer National Housing Programmes has been emphasised as a key government priority for the Nelson Mandela Bay, through the National Housing Code, that is accredited to compliment the Provincial Department of Human Settlement in ensuring accelerated housing delivery within the metro.

## **1.6 Theoretical framework**

The South African government has endeavoured to provide settlements to citizens; hence policies have been formulated to guide these efforts. According to Marais and Krigte (1996:116) in an attempt to redress the inequalities of the past, the government developed the Reconstruction and Development Programme (RDP) directed at meeting the basic needs of all the people of South Africa - one of which is sustainable human settlements.

South Africa is a country that had to go through many changes after its democratic elections in 1994. The Housing Act of 1997 has highlighted that Housing development should consist of the establishment and maintenance of stable and sustainable public environment to ensure viable households and communities in areas that have convenient access to economic opportunities and social amenities. This is in line with the international implementation of sustainable human settlement, section 26 of the

constitution of the Republic of South Africa which states that everyone has the right to access adequate housing.

The Housing Act of 1999 states that, housing development should consist of the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to:

1. Permanent residential structures with secure tenure,
2. Ensuring internal and external privacy and providing adequate protection against the elements; and potable water.

The vision of the South African government as stated in the National Housing Code (2001), advocates for “sustainable housing and sustainable urban environment”. Housing is a major component of urban environment and that better designed houses contribute to the physiological and psychological well-being of the inhabitants.

This study seeks to investigate the success of the Finance Linked Individual Subsidy Programme (FLISP) ownership programme in fulfilling the middle-income household’s need for affordable subsidised housing and breaking the spatial divisions caused by the previous apartheid segregation policies.

### **1.7 Research methodology**

Qualitative method was utilised as its aim is to depth and context to the collected data. In this case a qualitative study ensured that the right questions are developed and other variables, which could not be investigated through quantitative techniques and may affect causation, are elicited. Maree (2010) argues that data collected through qualitative techniques is not constrained by predetermined categories of analysis, and contributes to the depth and detail of qualitative data.

### **1.7.1 Sampling**

Maree (2010:79) states that sampling is a process of selecting a certain portion of a particular population for study. The sampling technique to be used for the study is stratified purposive sampling, and this is due to the fact that participants are selected with particular defining characteristics together with the setting and activities included for data collection (Maree, 2010:79). The sample population used for the study were the beneficiaries of the Walmer Links Individual Subsidy Programme (FLISP).

### **1.8 Research Instrument**

This project used a survey, because surveys are primarily used to collect quantitative information on perceptions and opinions of a sample population, which adequately represent the population of interest. Questionnaires were used as a way of gathering data in order to form a clear idea on the response of housing beneficiaries at Walmer Link. Document reviews were also done extensively in the study to help theorize the research study and identify gaps in the body of knowledge that exist.

A focus Group of beneficiaries of FLISP ownership was conducted to avoid biases and skewing of data. The researcher led the discussion and kept the conversations flowing as well taking notes and recording the conversation. Key informant Interviews were also conducted with government officials, private investors and NGO's responsible for the Walmer Link FLISP ownership programme.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Shelter in the form of housing is one of the most important human needs that play a very pivotal role in societal building. According to DeMoss (2012:1) citing Kissick (2006:2) states that access to housing is one of the basic necessities for maintaining a sustainable life and is also one of “the first needs of vulnerable populations following natural and man-made disasters”.

DeMoss (2012:1) continues to state that housing is also a global concern and dilemma, and international organizations together with national governments attempt to develop programs that would provide adequate shelter to those in need, primarily the poor. Yet for millions of poor people, housing does not just provide shelter; rather, housing also helps to establish a foundation for sustainable livelihoods that includes jobs, economic and social rights, access to services and facilities, food security, and access to education. In this sense, housing helps create a better standard of living.

According to Hornby (2005:726) when defining housing, states that a house is a building for people to live in and is usually for one family. In South Africa like many countries in the developing world is faced with a huge challenge of providing housing for its growing population. In agreement Feinstein (2005:151) also states that South Africa’s development has been racially structured in favour of the white minority to ensure white domination and supremacy and this has largely contributed to the housing challenge among other social issues.

### **2.2 Reconstruction and Development Programme (RDP)**

Feinstein (2005:151) states that due to apartheid laws and policies of the previous South African apartheid government, decent housing was mainly provided for the white minority whilst the majority of blacks were put in densely populated areas without proper housing and sanitation. Feinstein (2005:151) also states that it was after the first democratic elections of 1994 that the South African government began to introduce new policies and laws to redress the social ills of the previous apartheid government.

Wilkinson (1998:215) also implicates that among the policies introduced by the democratic government of South Africa was the housing provision through various initiatives like the Reconstruction and Development Programme (RDP) of 1994. Wilkinson (1998:216) continues to state that In 1994, when the democratic government of National Unity led by the African National Congress (ANC) came to power, its new constitution recognized housing as a human right for all.

Zack and Charlton (2003) state that in addressing the housing challenge in South Africa, the government formulated a developmental plan for housing and the RDP White paper made a substantial progress in delivering housing to the poor in the period between 1994 and 2004. The program provided beneficiaries with access to basic services, security of tenure, shelter and fulfilled an important psychological need in fostering a sense of pride and dignity in having a place to call a home. The state's hope in housing provision through the RDP was to enhance other sector's financial growth and to ensure that housing is provided for all.

In general, The Reconstruction and Development Programme had its successes as it managed to provide a lot of previously disenfranchised black South Africans with proper housing and sanitation but the supply of houses could not meet the huge demand (Callinicos: 1996). In support of this statement the GM South Africa Foundation (2013:1) states that the Reconstruction and Development Programme (RDP) of 1994 together with other similar projects have failed to eradicate the housing problem as they mainly addressed the plight of the unemployed and low income households.

There were various factors that contributed to the South African government's inability to deliver on its promises as the country's economy grew at a very low rate and thus could not enable the government to deliver on its promises. The major cause of the Reconstruction and Development Programme's failure was due to the neglect and exclusion of the middle-income households who did not qualify for neither the open market nor the free basic housing of the RDP in their provision of subsidised housing. This resulted in the huge and growing housing backlogs as many of the middle-income households had to settle for backyard shack renting and informal settlements as an alternative.

## **2.3 Subsidised Housing**

### **2.3.1 Subsidised Housing Definition**

In defining subsidised housing, Hornby (2005:1476) states that it refers to money that is provided by a local council or another organisation for people to buy a house at a low price. In the South African context subsidised housing is used to redress the social ills of the past, which is a developmental approach that places individuals at the centre of concern (Stewart, 2008:1).

### **2.3.2 Subsidised Housing in South Africa**

Subsidised housing as a new concept has also been recently introduced in South Africa in its housing provision plans. According to Van Dyk (1995:818) in explaining social housing, states that it is housing in the public or non-profit sectors. Dupreez and Sale (2011:1) also state that subsidised housing is a relatively new concept in South Africa and that its introduction is one of the many ways that the South African democratic government seeks to advance its commitment of providing the previously oppressed majority with good quality housing.

According to Miraftab (2009:89) the policymakers concerned with local economic development in support of the third trend advocate the marriage of those two, on the grounds that partnership of communities and the private sector, mediated by the public sector, achieves a synergy that is able to meet the shortcomings of each of the other trends to create a win-win situation. Bond and Tait (1997:23) in support of the synthetic approach to development in the housing sector by stating the reasoning behind the adaptation of the contemporary approach as mainly due to the failure of the housing policy through the market centred approach.

Miraftab (2009:89) continues to state that the public-private partnerships have been celebrated by international development agencies as a key strategy for delivering services to the cities of the third world. So far the merger of the two has shown

incredible results in addressing the needs of the third world's societies especially in the subsidised housing provision for the poor.

The subsidised housing provision concept was recently adopted by the GM South Africa Foundation together with government and private investors in addressing the housing backlog in South Africa. Dupreez and Sale (2011:1) citing the Subsidised Housing Policy for South Africa (2005) continue to state that “the two primary objectives of the subsidised housing programme are to contribute to the restructuring of South African society in order to address structural, economic, social and spatial dysfunctionalities and to improve and contribute to the overall functioning of the housing sector in order to widen the range of housing options available to the poor”.

This initiative was implemented after extensive research showed that much attention was given to the unemployed and neglected the needs of the low-income households. In affirmation of this, the GM South Africa Foundation (2013:2) states that this provision has neglected to cater for the middle income band of household who earn between R3, 501 and R15, 000 who do not qualify for neither the fully subsidised house nor the open market.

The government in partnership with NGO's and the private sector have come up with a programme that addresses the need to provide subsidised housing for the middle income household that earn between R3, 501 and R15, 000 known as the Finance Linked Housing Subsidy Programme (FLISP).

The Financed Linked Housing Subsidy Programme as stated by the GM South Africa Foundation (2013:9) is a pilot programme by the government in partnership with NGO's and the private sector in addressing the need for quality subsidised housing ownership option for middle income-households. This programme has allowed the government to cater for the middle income households in providing good quality houses at a range they can afford, thus lowering the housing backlogs that the government has been struggling to cope with.



### **2.3.3 Financed Linked Individual Subsidy Programme (FLISP)**

The Finance Linked Individual Subsidy Programme (FLISP) has therefore addressed the housing need of the poor and met the required international standards in housing provision. This is affirmed by the Housing Act of 1997 which highlighted that, a housing development should consist of the establishment and maintenance of stable and sustainable public environment to ensure viable households and communities to be located in areas that have convenient access to economic opportunities and social amenities.

The Financed Linked Individual Subsidy Programme (FLISP) seeks also to address other social ills that were inherited from the previous apartheid government of South Africa. According to Gelb (2003:1) in describing South Africa's existing condition after the advent of democracy in 1994 acknowledges by stating that "material conditions have divided South Africa into two nations, the one black, and the other white". This therefore meant that democracy has been struggling to redress the social ills of the past that were attributed to apartheid policies of separate developments that were racially biased.

Gelb (2003:1) continues to state that the latter is relatively prosperous and has ready access to a developed economic, physical, educational, communication and other infrastructure. The second, and larger, nation of South Africa is black and poor, lives under conditions of a grossly underdeveloped infrastructure. Thus the Financed Linked Individual Subsidy Programme (FLISP) was introduced as the means of integrating the poor with no reference to race so as to eradicate the stigma of identifying a person's social status based on race and to also ensure a more integrated society is achieved.

According to the Department of Housing (2011) The Finance Linked Individual Subsidy Programme (FLISP) is also aimed at addressing the infrastructural segregation by breaking down spatial divisions by locating the houses in the urban areas that were previously reserved for whites (GM South Africa Foundation, 2013). This is in line with the international implementation of sustainable human settlement, section 26 of the

constitution of the Republic of South Africa which states that everyone has the right to access adequate housing.

The Finance Linked individual Subsidy Programme (FLISP) that has recently been implemented in Port Elizabeth has shown incredible results in addressing the housing backlogs and breaking down the spatial divisions of apartheid. This pilot programme is to serve as a sample that could lead to same or similar project being implemented throughout South Africa in addressing the housing challenge.

## **2.4 Chapter Summary**

This chapter was focused on outlining the historical basis of subsidised housing in South Africa. The introduction of subsidised housing in South Africa was due to the South African democratic government's means in trying to redress the social ills of the past. Certain policies were implemented in trying to alleviate poverty levels by introducing policies like the Reconstruction and Development Programme (RDP) that were aimed at providing free housing for the previously disadvantaged majority.

The RDP had its fair share of challenges as it failed to house the poor majority with the free fully subsidised house. The government together with private investors and NGO's partnered to come up with a solution to the housing backlogs by introducing the FLISP ownership programme which was also meant to also integrate society. The FLISP ownership programme has become a focus of attention in addressing the huge housing demand in South Africa.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter focused on the research methodology, by specifically outlining the chosen paradigm or design together with the explanation and validation of the reasoning behind the methodology. In support of this reasoning on assigning a method or mode of enquiry Maree (2010:34) states that it is very important to choose a method that will give credibility to the findings based on the research strategy and tactics for validity. This was done by outlining a chosen paradigm or design for the research with the reasoning behind its use in the study.

The chapter began by choosing a paradigm and provided a brief theoretical background. This was then followed by an outline of the scope and sample where the study described in detail the target group for the study. This was then followed by sampling methods and a theoretical background for the sampling method chosen.

The study then continued to discuss data collection and also provided a theoretical background to the method and instruments in collecting the data. In concluding the research method part of the research, the study outlined and explained data analysis in ensuring validity and reliability.

For the study a qualitative method was used as it was able to give depth and context to the collected data. In support Maree (2010:99) states the data that has been collected through a qualitative technique is not constrained by predetermined categories of analysis and contributes to the depth and detail of qualitative data.

### **3.2 Research Paradigm or Design**

According to Leedy (1997) the design process is the planning of the research and it also includes the visualisation of the data and problems associated with the use of those data in achieving the results for the research project. According to Creswell (2003) the most suitable research premise for the study on Walmer Links Housing

Development as a viable option for the poor will be based on epistemological assumptions with an interpretative stance.

Maree (2010:31) also states that the reasoning behind this perspective is due to the fact that it rejects the standard method of natural science as it is more subjective with a view of social science. The study therefore used a qualitative approach using interviews with the interview schedules. The study was guided by the research design, which provided a manner together with the procedure in which the study was conducted.

Qualitative research methods were the most relevant in achieving the objectives of the study by gathering data from the participants through a qualitative approach. This enabled the study to propose possible solutions and recommendations in overcoming possible challenges that were available.

In validating the study's research design, Leedy (1997:106) continues to state that a qualitative research design is regarded as the process of getting to understand and interpret how various participants in a social setting construct the world around them. As this type of research paradigm fell within the qualitative research design among many that included conceptual studies, historical research, action research, ethnography and grounded theory.

The chosen paradigm provided answers for the intended study on Walmer Links as a viable housing option for low-income earners as an interactive studies approach was the most appropriate in this case. For the case study approach of the research design, the scope and sample was very essential in clarifying how the data where and who was to facilitate the data gathering process.

### **3.3 Scope and Sample of Research**

The research study's target group consisted of various participants that were directly involved in the Walmer Link Housing Development. The target group included the Walmer Link residents that have occupied rental space for more than a year and specifically targeted about 50 individuals from different age groups, gender and race.

As there were two separate groups within the same complex, the study focused only on low income earners that occupied the high density section of the houses in Walmer Link.

The second target group was the on-site manager and the CEO of Imizi Housing as the company that manages the housing development. The study also sought an opportunity to target the GM South Africa Foundation and the Department of Human Settlement as they both were involved in the formulation and implementation of the housing development. This enabled the study to analyse data that was not biased but had different views with regards to the low- income earning section of the Walmer links subsidised housing initiative.

The total number of participants were approximately 55 and included the residents of the low-income earning section of the development together with the site manager, CEO of Imizi Housing and the GM South Africa Foundation members. To collect the data the study used a structured sampling approach as it conducted a survey through structured interviews. In choosing this approach in sampling the study sought to obtain the richest possible source of information to answer the research question.

For a better understanding of the sampling method, Maree (2007:79) explains it as the process used to select a portion of the population for study. Stanton (1998:53) also states that there are three commonly used sampling methods, which are the stratified purposive sampling, criterion sampling and the snowball sampling. Of all these methods each has its own objectives and can be used in a particular type of research. The sampling method also enabled the study to easily gather data for analysis before making any suggestions and recommendations.

### **3.4 Data collection**

Interactive primary research methods and tools, such as semi-structured interviews, questionnaires and document analysis were utilized to gather the data. According to Cooper & Schindler (2006: 403) the data collected by the researcher was to be from credible sources and must also be trustworthy especially in the case of the qualitative gathering technique.

The method of collecting the data was through the use of questionnaires for the residents of Walmer Link apartments together with in-depth interviews of the Imizi Housing as the Walmer Links management and the literature for social housing and the Social housing Act of 2008. According to Mitchell (2005:166) interviews for the investigation were considered as an effective method of collecting data during a research since they demanded real interaction between the researcher and the respondents.

Raw data was collected through the questionnaires that were delivered to each participant's house and management of the Walmer Links rental houses where a series of 10 to 15 minutes interviews were done to answer a set of predetermined and structured questions that were aimed at obtaining the study's objectives. After the raw data was collected from the participants together with management, it was then coded and stored for analysis.

The measuring instruments for the collected data were through the use of Microsoft Excel for the quantitative analysis and interpretation of the questionnaires. The study also consisted of recorded interviews to ensure that the content analysis was accurate when interpreting the collected data from the residents and management of the Walmer Links social Housing Development.

The reasoning behind the research's focus on the residents and Imizi Housing management was due to the fact that both of the selected primary sources of data were directly involved in the Walmer Links Housing Development. This enabled the researcher to capture first-hand information directly from the stakeholders in the housing initiative. After the collection of the raw data from the sources, it was to be

analysed using a particular tool or method of analysis to ensure its reliability and validity.

The other chosen method of collecting data that the study used was the document analysis. According to Bowen (2009:20) described document analysis method of collecting raw data as a systematic procedure or process of evaluating documents. In further elaboration, Bowen (2009:20) also stated that the document analysis method of collecting data required the data to be examined and interpreted so as to elicit its meaning, gain understanding and to develop empirical knowledge.

Bowen (2009:20) concluded his discussion on document analysis by stating that documents that may be used for evaluation took various forms and included: background papers, advertisements, books, brochures, journal and many more printed media material. For the document analysis in responding to the research question on the extent in which the Walmer Links housing initiative has achieved the objectives of the Social housing Act of 2008, the study chose the use of books, journals and background papers to validate the findings to ensure that the information is authentic and reliable.

### **3.5 Data Analysis**

In analysing the collected data for the proposed study, the research used the qualitative data analysis and interpretation approach. This approach in analysing collected data is stated by Polit and Hungler (1993:41) that for a meaningful analysis of the research problem meaningfully, the data must be processed and analysed in an orderly and coherent manner so that patterns and relationships be discerned. In support of Polit and Hungler (1993:41), Maree (2010:99) also states that qualitative data analysis is usually based on an interpretative philosophy that is aimed at examining meaningful and symbolic content.

Maree (2010:99) continues to state that “this type of analysis and interpretation seeks to establish how participants make meaning of a specific phenomenon by analysing their perceptions, attitudes, understanding, knowledge, values, feelings and experiences in order to construct the phenomenon”.

Therefore the most appropriate method of analysis was the use of a content analysis. The reason for choosing this particular method for the research was due to the fact that it identified and summarised message content. In analysing and interpreting the data the data was to be tested for its validity and reliability.

To ensure the validity and reliability of the data the research used multiple methods of data collection through interviews and analysis of documents. In support of the chosen method Maree (2010:80) states that for trustworthiness and reliability the documents serve as a source of explaining certain subject or a particular phenomenon for validity and in reaching a conclusion based on the findings.

### **3.6 Chapter summary**

In this chapter the researcher showed the data gathering methods in ensuring that the study's objectives are fulfilled. The chosen method of gathering was through the use of questionnaires that were structured according to the study's objectives. The researcher also displayed the method of interpreting the data. The target group for the study was also identified together with the required criterion to participate in the research as a sample. The chosen tools and methods were the means of ensuring that the data was valid and reliable.



## CHAPTER FOUR: RESULTS AND DISCUSSION

### 4.1 Introduction

This chapter mainly focused on presenting, analysing and interpreting collected data from the Walmer Links Finance Linked Individual Subsidy Programme (FLISP) residents, who had participated in the previous chapter in which data was collected. The intention of the analysis and interpretation of the data was through various steps as outlined on the next section.

Structured questionnaires were employed as the main data collection tool in which three different focus groups were interviewed in an attempt to ensure that the questionnaires were in line with the objectives of this study. The set of data was collected among the beneficiaries of the Walmer Links Finance Linked Individual Subsidy Programme (FLISP).

In structuring the data analysis and interpretation for this section of the study, three representative examples were utilised to demonstrate the process. For each example in the analysis, the study showed how it was constructed and also motivated as to why a particular construction approach was chosen for the interpretation.

In investigating the problem meaningfully, Maree (2010:99) states that qualitative data analysis requires that the problem be processed and analysed in a coherent and orderly manner in an attempt to discern patterns and relationships. In analysing the experiences of the respondents Ladikos and Kruger (2006:161) state that for easy interpretation, data is to be packaged into various themes. The analysis from the collected data revealed three themes:

1. Benefits from the housing programme
2. Housing design and satisfaction
3. Community empowerment

#### **4.1.1 Community members (Focus Group) of Walmer Links in Port Elizabeth**

Ten community members participated in the structured questionnaires for the Walmer Links Finance Linked Individual Subsidy Programme (FLISP) in Port Elizabeth. The respondents were the beneficiaries of the (FLISP) subsidised housing option. In conducting the interviews through questionnaires proof of authorisation from the institution involved in the research together with another from the Imizi Housing management were obtained before conducting the interviews.

#### **4.1.2 Benefits from the Finance Linked Individual Subsidy Programme (FLISP)**

According to Wicht (n.d) an example of benefits from the provision of subsidised housing include ownership and access to affordable quality housing for low income earners. Other benefits include community development, empowerment in promoting a conducive community living and to lastly abolish spatial-socio segregation of apartheid to have communities that are free of racial and gender discrimination (Wicht, n.d).

For the study to analyse the benefits of subsidised housing, the Imizi Housing tenant survey Report (2013) was used as an example in demonstrating the data analysis and interpretation process. According to the Imizi Housing Tenant Survey report (2013) in looking at the above mentioned benefits, the collected data from the tenants was to ascertain client service relationship. The report from the collected data enabled a concise approach on analysing the data to correctly reflect the intended objectives of the study. In constructing the content analysis approach of the data was used as it summarises message content. In support of the method used Maree (2010:101) states that the content analysis approach is used when analysing books, brochures, news reports among many.

### **4.1.3 Housing design and satisfaction**

According to the Subsidised Housing Act (2008) subsidised housing projects must provide quality and affordable accommodation for low-income households which also include social facilities together with amenities and recreational space. As an example in ascertaining housing design and satisfaction of the Walmer Links (FLISP) subsidised housing option the study will utilise the Imizi Housing Tenant Survey Questionnaire Report (2014).

The participants were asked questions regarding property satisfaction. In responding to the questions, they included the structure and the quality of the housing units that were built for the beneficiaries. In this section the focus was on testing the levels of satisfaction pertaining the designs.

### **4.1.4 Community Empowerment**

According to Pieterse (2001:42) in defining community empowerment states that it is a process through which people take control of their lives by gaining the ability to make their own decisions in improving their lives. The Imizi Housing 2013-2014 Annual Report was used as an example to ascertain the level of community empowerment for Walmer Links (FLISP) subsidised housing beneficiaries.

In demonstrating the data analysis and interpretation process of the study, the content analysis approach was used through an assessment of the respondents from the annual report together with the questionnaire responses and the interviews.

## **4.2 Findings**

The following section provided a summarised overview of the findings of this study. The main purpose of this study was to ascertain the effectiveness of the Walmer Links Individual Subsidy Programme (FLISP) in addressing the housing backlogs together with investigating the experiences of the FLISP beneficiaries on the new subsidised housing initiative by using the secondary research questions as guidelines in reaching the study's objectives which are:

1. The challenges of house ownership for middle-income households in Port Elizabeth?
2. The FLISP housing ownership programme's acceleration of housing delivery in Port Elizabeth?
3. Ways to improve the implementation of the FLISP ownership programme?

#### **4.2.1 The challenges of house ownership for low-income households in P.E**

From the report on benefits received by the recipients of the FLISP homes, about 82% of the respondents indicated that by purchasing the FLISP houses, they have received good value of housing for their money and have become home owners for the first time in their lives. During the interviews the researcher discovered that there were certain challenges that were faced by the middle income households in Port Elizabeth as most felt a sense of relief after purchasing a house that was of good quality.

- **Discussion**

The first challenge faced by the Walmer Links (FLISP) beneficiaries was the fact that they did not qualify for a bond or a fully subsidised house and also ran a risk of being rejected by the bank when applying for a FLISP house due to a bad credit record. The other challenge was voiced by one Walmer Links resident when he stated that houses that are easy to buy and own are always on the outskirts of the city and that makes the houses that are close to places of work to be of high price due to a rising housing demand. Lastly what makes it even more difficult in finding a house in the Port Elizabeth area is being employed and not qualify for a fully subsidised house or an open market house due to the level of income that a household receives.

#### **4.2.2 The FLISP housing ownership programme's acceleration of housing delivery in Port Elizabeth**

According to the National Housing Finance Corporation (NHFC) (2013) FLISP roll out programme, it has provide integrated housing development project funding, directly and in partnerships to encourage integration and mixed typologies as well as contribution to the upgrading of informal settlements.

The National Housing Finance Corporation (NHFC) (2013) FLISP roll out programme has also ensured that the FLISP initiative was able to provide innovative and affordable housing financed solutions to the low-to-middle income market. It was clearly indicated from the interviews that a majority of the FLISP beneficiaries were first time home owners and that means the FLISP programme has been able to accelerate housing delivery in Port Elizabeth.

The study also has taken into consideration that the subsidised housing initiative in Walmer Links has also increased the levels of integration and has contributed to the local economy by locating the housing units at a place that is close to almost all amenities. It is quite clear from the findings that the government has managed to come up with an effective strategy in addressing the huge housing backlog through the Walmer Links Financed Linked individual Subsidy Programme (FLISP).

#### **4.2.3 Ways to improve the implementation of the FLISP ownership programme**

In terms of the improvement of the FLISP ownership programme, it is to be acknowledged first that the programme itself has managed to reach an acceptable level or standard expected by the beneficiaries in terms of quality, housing design and the empowerment of the new owners. About 87% of beneficiaries indicated that the quality of housing was above the expected standard in subsidised housing. This therefore means that people have positively benefited from the Walmer Links (FLISP) subsidised housing initiative.

In presenting the findings on the housing design and satisfaction from the FLISP beneficiaries the report stated that about 89% of the respondents from the questionnaires indicated that they were more than satisfied with the housing design.

Lastly, in reporting on the empowerment of the FLISP beneficiaries through the FLISP initiative the information from the questionnaires also indicates that the beneficiaries felt empowered through the client service satisfaction report which implied that even women and youth were also given priority in purchasing houses.

The annual report also clearly indicated that Imizi Housing has empowered the community by engaging the minds and energies of home owners towards solution finding to a wide variety of social and economic issues (Imizi Housing, 2012). However with all the successes that the Walmer Links Finance Linked Individual Subsidy Programme (FLISP) has received various challenges pertaining the programme.

- **Discussion**

According to August (2013:2) some of the challenges of the FLISP ownership initiative included the failure of applicants at the banks. August (2013:2) explained that the reason for the applicant failure was due to the marginalisation of applicants by the banks because of where the applicants lived.

The other challenge was also stated by August (2013:2) that consumer education was lacking for FLISP. August (2013:2) elaborated by indicating that consumers needed to be taught about the importance of ownership and owning an asset as a means of escaping poverty.

#### **4.3 Resident's views of living in a FLISP home**

From the gathered data through the questionnaires and interviews, all of the residents of the FLISP housing programme felt that the houses were a good value for their money and that even the quality is much more than what they had expected from a subsidised housing programme. The residents were also happy to be living in a place that was close to amenities and places of work.

The overall experience of living in a FLISP house is good as explained by the beneficiaries. Residents also feel that the FLISP houses also need to have tighter security measures as the place is located close to Walmer Township which is a high crime area especially in terms of burglaries. The other concern was the transportation issue as the residents had to walk to bus stations which was very dangerous especially during winter. The overall feeling was that the residents were more than happy and the experience of living in a FLISP house was said to be life changing.

#### **4.4 Analysis of findings**

The data collected from resident interviews were analysed and the following 3 themes were identified:

- a) Urban restructuring
- b) Safe and harmonious environment
- c) Affordable options for low income earners

##### **a) Urban Restructuring**

As previously discussed, subsidised housing projects must aid urban restructuring through the integration of housing developments into existing economic hubs, thereby providing accommodation opportunities for low income workers close to their place of employment, facilities, amenities and other income generating opportunities.

The findings from this study revealed that the location of Walmer Link was one of the top three reasons why people chose to move to Walmer Link, and remain one of the top three benefits described by the residents. The majority of the residents expressed gratitude that they now lived significantly closer to their places of work and to amenities such as shops, medical facilities and places of worship. While many had experienced an increase in their rent compared to their previous accommodation, this was cancelled out by drastic reductions in transport costs. As one resident commented, *“I would rather spend the extra R500 on a nice place to live than on sitting in a taxi”*.

##### **b) Safe and Harmonious Environment**

Subsidised Housing projects are tasked with providing a safe and harmonious environment within the project, and carry a social responsibility to the immediate urban environments as well. Subsidised Housing Projects are about social restructuring and should demonstrate their ability to create social stability, racial and income integration and a reduction of crime through well run and managed housing developments.

The findings of this study revealed both successes and challenges with the respect to social restructuring at Walmer Link. The non-racial approach to applications has resulted in a diverse community of black, coloured, Indian and white residents. For many residents, one of the main benefits of Walmer Link is the opportunity to form relationships with people from all races and to overcome previous prejudice. However, there were some reports of racism within the complex, specifically from black people towards white people. A few of the black residents resent the fact that white people are allowed to stay at Walmer Link, and some of the white people reported feeling antagonised by some of the black residents.

In addition, one of the main challenges facing the Walmer Link Project is resentment from the adjacent Walmer Township. Walmer Township members protested the development of Walmer Link on the premise that they had not received what has been promised to them “Since 1994 we have been waiting for RDP houses, but the municipality does not have land to build us RDPs. Where we live right now we suffer during the rain. We are sick and tired of our municipal and provincial leaders. We want Minister Tokyo to give us a clear direction about our future”.

### **c) Affordable options for low income earners**

The central tenant of Subsidised Housing is the establishment of well-managed, quality housing options affordable to the poor. Subsidised Housing projects should aim to widen the range of accommodation choices available to the poor, by ensuring that the accommodation options are financially viable for low-income earners.

FLISP makes use of a sliding scale, based on income, in order to determine the value of subsidy and the type of house which people can obtain. The sliding scale was developed to ensure that all people earning between R3500 and R15000 would be able to afford an appropriate housing unit based on their household income and the number of people in their household.

However, many residents are dissatisfied and critical of this approach. The findings of this study revealed that many residents did not agree with this approach, especially those earning higher salaries. Residents repeatedly compare household income and



payments with their neighbours, leading to a constant flow of complaints and disillusionment. Despite receiving training on the reasons behind this scale, some residents remain critical of this approach.

## **CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Conclusion**

This study investigated the effectiveness of the Walmer Links Financed linked Individual Subsidy Programme (FLISP) as a subsidised housing option in addressing the need for quality affordable housing for middle-income households. The study looked at how the FLISP subsidised housing option has addressed the need for subsidised housing and how it has also managed to break the spatial and racial differences of the past apartheid system through integration.

It can therefore be concluded from the investigation that has addressed the need for affordable quality housing as it has managed to lessen the number of backyard shack dwellers. The project has also contributed to the formal housing sector so as to increase the GDP level of the economy instead of funding the informal market of backyard dwellings.

Among other social issues that the Walmer Links Financed Linked Individual Subsidy Programme (FLISP) closing the gap between the rich and the poor together with women and youth empowerment are one of which the programme has addressed by allowing them to own a home and become decision makers and to also give quality affordable housing that is close to social amenities.

The FLISP initiative has also managed to provide the beneficiaries with a valuable asset that would increase an individual's wealth. This therefore meant that poverty levels have been lowered. The study therefore can conclusively state that the provision of subsidised housing for middle-income households through the Walmer Links Financed Linked Individual Subsidy Programme (FLISP) has been effective in addressing some social ills of the previous apartheid government in South Africa.

## **5.2 Recommendations**

It can then be recommended that the project could be implemented in other areas or provinces within South Africa in addressing the huge housing backlogs for middle income household and to lower the high poverty levels by closing the gap and breaking the spatial and racial differences that have been the main hindrance to development within South Africa.

As a recommendation on FLISP bank loan application, due to the marginalisation of individual based on their places of residence, the government together with the relevant stakeholders of the programme should also play a role in the application process and to put stricter policies against banks so as to smooth the process of application. There should also be more consumer education regarding FLISP ownership as it can assist individuals to escape poverty.

In accelerating housing delivery, the government should also find innovative ways to lower the costs of building but maintain the quality so as to attract even more people and allow them to own a house at an even lesser price. It is also recommended that the FLISP housing units need to be built inside townships so as to improve the township environment and to increase the property value of the existing houses. Lastly, more research should be done in finding ways that could enable the programme to be even more effective in addressing the huge demand for good quality housing.

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**APPENDIX A: Research questionnaire template**



Walmer Links Subsidised Housing Survey 2014

This survey will be conducted by: Mr. Ayanda Pupa

MA Development Studies student

This will be done on behalf of the Nelson Mandela Metro University (NMMU)

For clarification I can be contacted at No. 2 Popo Molefe, Walmer Township, Port Elizabeth 6070

Cell No 084 5313213 Email: s212443992@nmmu.ac.za

To be completed by interviewer

Instructions:

Persons interviewed must be over the age of 18 years

Name of the interviewer.....

Date.....

This questionnaire was verified by:

PRINT NAME.....

SIGNATURE.....

## Introduction

Dear Sir /Madam,

May I have a few minutes of your time to conduct a survey about the Walmer Link Finance Linked Individual Subsidy Programme (FLISP)?

I am a student in the department of Development Studies and would like to ask you questions regarding the Walmer Link Finance Linked Individual Subsidy Programme (FLISP) as a viable option in addressing the housing backlog for the middle-income households of the Nelson Mandela Bay Metro. The interview will last 5-10 minutes.

I do not need your name to ensure confidentiality. You will not be victimized for any information you provide. You have the right to refuse to participate or to answer some of the questions. Your willingness to participate in this survey is much appreciated.



**Sample 1**

**SECTION A: INTRODUCTION**

1. Where did you stay before coming to Walmer Link?
2. Do you have any dependents? If any please indicate number.
3. Do you own a motor vehicle?

**SECTIONB: EXPENDITURE**

4. Are you employed?
5. How much do you pay for the bond?

R3 501-R6 999	R7000-R1500	R1500+
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6. What is your total monthly expenditure?

ITEMS	R400-R500	R600-R750	R800+
Accommodation			
Entertainment			
Transportation			
Groceries			

**SECTION C: Rating Walmer Links**

8. What do you find missing at Walmer Link?

**9. What are the strengths of Walmer Link?**

**10. Would you recommend Walmer Link to anyone?**

**SECTION D: DEMOGRAPHIC CHARACTERISTICS**

**11. What is your home language?**

Zulu	
Sotho	
Afrikaans	
Xhosa	
English	
Other-specify	

**12. Marital Status**

Married	
Single	
Divorcee	

**13. What is your gender?**

Male.....Female.....

**14. What is your age?**

18-30	
31-40	
41-50	
51-60	
61+	
Confidential	

**15. What is your household income per annum?**

Less than R45000	
R50 000- R100 000	
R150 000- R200 000	
Confidential	

**16. What is your level of education?**

High school	
College graduate	
Technikon diploma/ University degree	
Masters	
PhD	

**17. Position in company?**

Administrative or clerical job	
Lower management	
Middle management	
Senior management/ Director	
Owner of company	
Confidential	

**18. Do you have access to internet?**

Yes	
No	

**19. Population group?**

Black	
Coloured	
White	
Other	

**20. General comments about the Walmer Link Finance Linked Individual Subsidy Programme (FLISP).**

Thank you for your time.