AFFORDABLE HOUSING FOR LOW-INCOME COMMUNITIES: BETWEEN RESIDENTAL AND INVESTMENT

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Owning a home is an important element of society because it is considering to be an effective way of accumulating wealth for low-income [6]–[8]. The high demand for housing is imbalanced with the availability of housing supply, which is a factor affecting the high housing prices and land prices [1], [2].

One of the Indonesian government’s efforts to encourage homeownership for low-income people amid high house prices is by providing mortgage subsidies. As one of the small cities in Central Java Province, Salatiga City has limited land, but has an innovations in the provision of housing to provide land subsidies for low-income communities.

The construction of low-cost housing in Salatiga refers to the KORPRI housing is specifically intending for civil servants of class II and III who do not yet have a house (Pramukti KORPRI Housing). The house price is IDR 85,000,000 below the standard IDR 128,000,000. The goal is to evaluate the impact of low-cost houses construction for KORPRI members in Pramukti KORPRI Housing, Salatiga City.

Civil servants who received land subsidies from the government using houses for investment and as commercialized goods to increase income.
This research uses a quantitative method.

**DATA COLLECTION TECHNIQUE**

- An interview through phone, and WhatsApp with the chief of RT (the division of territory in Indonesia under the *Rukun Warga* RW).
- Field observations. *Field observation was by marking or drawing the conditions in the field [23]*.
- Secondary data was obtained online via the internet.
- Before pandemic Covid-19, researchers had conducted direct field observations assisted by the chief of RT by going around a residential area.
- The web and news about the development of KORPRI housing estates in Salatiga City as well as KORPRI development planning documents from related agencies.

**DATA ANALYSIS TECHNIQUE**

The analysis technique of this research used quantitative descriptive and overlay analysis.
OVERVIEW OF THE PRAJAMUKTI KORPRI HOUSING

- The land area used for the Prajamukti KORPRI Housing is 59,207 m²
- The number of houses built was 400 units
- Consists of 3 RTs, namely Block A RT 4/RW 4, Block B RT 5/RW 4, and Block C RT 6/RW 4

**Figure 1** Research Locations for Prajamukti KORPRI Housing, Salatiga City

Source: BAPPELBANGDA (Planning, Research, and Regional Development Agency) Salatiga City, 2016 [24]; Field Observations, 2020
MECHANISM ANALYSIS OF CHANGE IN HOUSING OWNERSHIP STATUS IN PRAJAMUKTI KORPRI HOUSING

The houses were owned and occupied by the first occupants

The houses had property rights in the names of the first occupants but were rented out

The houses had become the property of other people because they have been transferred/sold

Source: Field Observations, 2020

Figure 2 Type of Homeownership in Prajamukti KORPRI Housing
LOCATION ANALYSIS OF THE PRAJAMUKTI KORPRI HOUSING AS AN OPPORTUNITY FOR INVESTMENT

In 2013, the land value/m² was IDR 64,000

For the 2.1% increase in land value/m² to IDR 100,000 to 200,000 – (2020)

As for the 6.8% increase in land value/m² to IDR 200,000 to 500,000 – (2020)

Source: https://bhumi.atrbpn.go.id/, 2020[26]

Figure 3 Land Value Map at Prajamukti KORPRI Housing – NJOP (Tax Object Sales Value), 2020

Figure 4. Percentage increase in land value/m² (2013-2020)
FINDINGS AND DISCUSSION

- The relationship between local government, developer, bank, and management agency for the provision of low cost housing.
- The management agency is under the local government to manage the residential area.

**Figure 5.** Diagram of the relationship of Stakeholder Involvement in Low-Cost Housing Management

Source: Researcher Analysis, 2020
• **The affordability of housing** prices in the Prajamukti KORPRI Housing, Salatiga City for KORPRI member civil servants was due to a subsidy from the government in the form of releasing government land assets to the community at a low price.

• During five years, most of the homeowners, namely **70% of the house owned**, became a commodity goods. The house becomes an investment that can be traded to increase income. This is not following the original aim of the local government in providing land subsidies to the community at low prices.

• **The contribution of this research** is that the local government in providing housing for low-income communities or civil servants as members of KORPRI can use their land assets for the public interest, but the land right does not release to the community.
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