

# The Impact of the FLPP Program on Improving Community Welfare through Subsidized Home Ownership

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**Abstract:** *This study aims to analyze the impact of the Housing Financing Liquidity Facility Program (FLPP) on improving community welfare through subsidized home ownership. The FLPP program is a government policy aimed at providing access to affordable housing financing for low-income communities (MBR). This study uses a descriptive qualitative approach, with data collection techniques including interviews, observation, and documentation. The research informants consisted of community recipients of subsidized housing, housing developers, and banks distributing the FLPP program. The research results show that the FLPP Program has a positive impact on improving community welfare, particularly in economic, social, and psychological aspects. From an economic perspective, people experience a reduction in expenses because they no longer have to pay rent. From a social perspective, home ownership improves family stability and social participation in the community. Meanwhile, from a psychological perspective, people feel an increased sense of security and life satisfaction after owning their own home. However, this study also found several obstacles in the implementation of the FLPP program, such as limited subsidized housing quotas, less strategic housing locations, and an administrative process that some people still find quite complex. Overall, the FLPP program is considered to have made a positive contribution to improving community welfare, although improvements in implementation are still needed to optimize and distribute its benefits more evenly.*

**Keywords:** *FLPP, Subsidized Housing, Public Welfare, Housing, Low-Income Communities*

## Introduction

Housing is a basic human need that plays a crucial role in improving the quality of life and well-being of the community. The availability of adequate and affordable housing is a strategic issue in many countries, including Indonesia, particularly for low-income communities (MBR) who still face limited access to housing finance. In this context, the Indonesian government has introduced various policies to address the housing backlog, one of which is the Housing Financing Liquidity Facility (FLPP) program. The FLPP program is a subsidized housing financing scheme aimed at helping MBR own homes with low interest rates, affordable down payments, and easy and stable installments. This program is expected to provide a solution to high property prices that are disproportionate to people's purchasing power, particularly in urban areas experiencing rapid population growth. Through the financing subsidy mechanism, FLPP not only encourages home ownership but also plays a role in increasing public access to adequate housing.

However, the implementation of the FLPP program in practice still faces various challenges, such as limited subsidized housing quotas, uneven distribution of housing locations, and suboptimal public understanding of the program's mechanisms. Furthermore, the effectiveness of FLPP in improving community welfare remains a matter of debate, given that welfare is not solely measured by home ownership, but also by economic, social, and overall quality of life. Home ownership through the FLPP program is fundamentally expected to have a positive impact on improving community welfare. By owning their own home, people not only obtain a more adequate and secure place to live, but also reduce the burden

of rental expenses, improve family social stability, and provide a sense of security and certainty of long-term housing. This condition has the potential to indirectly increase the productivity and quality of life of beneficiary communities.

**Table 1.1 Community Welfare Conditions Before and After Having a FLPP House**

No	Welfare Indicators	Before FLPP	After FLPP	Change
1	Monthly expenses for housing	Rp. 750,000 – Rp. 1,200,000 (rental)	Rp. 900,000 – Rp. 1,100,000 (FLPP installments)	More stable
2	Home asset ownership	Don't have a house	Have your own house	Increase
3	Sense of security of residence	Low (contract/rent)	Height (permanent ownership)	Increase
4	Family economic stability	Unstable	More stable	Increase
5	Access to environmental facilities	Not sure	More secure (subsidized housing)	Increase
6	Quality of family life	Currently	Better	Increase
7	Satisfaction with residence	Low	Tall	Me

Based on the table above, it can be seen that the Housing Financing Liquidity Facility Program (FLPP) has had a significant impact on improving community welfare, particularly for low-income communities. This is evident in the changes in economic and social conditions before and after people acquired subsidized housing. In terms of housing expenses, before participating in the FLPP program, people generally spent relatively high rents and lacked long-term security. After acquiring a home through the FLPP scheme, these expenses shifted to fixed installments that are more affordable and stable. This has a positive impact on household financial management because housing costs become more predictable.

Furthermore, home ownership through FLPP also increases people's sense of security and certainty of housing. Previously, people living in rented or leased housing faced uncertainty about the duration of their housing. After owning their own homes, people experience increased psychological comfort and social stability in their family life. In terms of well-being, there is a visible improvement in the overall quality of life. This is indicated by increased satisfaction with their homes, family economic stability, and access to better-planned housing environments. However, several important points remain, particularly regarding the location of subsidized housing, which some respondents considered not entirely strategic, and the varying quality of the buildings.

The results of public perception also indicate that the majority of respondents agree that the FLPP program facilitates home ownership and contributes to improved welfare. However, a small number of respondents felt that the application process and access to program information still need to be improved to make it more accessible to the wider community. Overall, it can be concluded that the FLPP program has made a positive contribution to improving public welfare through subsidized home ownership, although improvements are still needed in terms of location distribution, building quality, and ease of program access to ensure its benefits are felt more optimally and equitably.

**Table 1.2 Public Perception of the FLPP Program**

No	Statement	Agree (%)	Don't agree (%)
1	FLPP helps people own homes	87%	13%
2	FLPP installments are more affordable than rent	82%	18%
3	The FLPP program improves family welfare	79%	21%
4	The location of the subsidized housing is quite strategic	65%	35%
5	The quality of the house is as expected	70%	30%
6	The FLPP application process is easy	68%	32%

In recent years, the Housing Financing Liquidity Facility (FLPP) program has become one of the government's primary instruments in encouraging home ownership for low-income communities (MBR). Emerging phenomena indicate that the need for subsidized housing continues to increase in line with population growth, urbanization, and rising land and building prices in various regions. This condition creates a gap between people's purchasing power and increasingly unaffordable housing prices, making the FLPP program a highly anticipated solution. However, amidst the high public interest in subsidized housing, various problems still arise in the implementation of the FLPP program. One frequent phenomenon is the limited quota of subsidized housing provided each year, so that not all eligible residents can be accommodated. Furthermore, the distribution of subsidized housing development is also uneven, with most housing located in locations far from city centers and economic areas, thus creating new challenges related to accessibility, transportation, and additional living costs for recipients.

Another issue that has emerged concerns the varying quality of subsidized housing construction. Some residents have complained about the inadequate quality of buildings, environmental infrastructure, and public facilities. This raises questions about the extent to which subsidized housing truly improves the quality of life and well-being of the community, as is the primary objective of the FLPP program. Furthermore, there is still a lack of public understanding regarding the FLPP application mechanisms and procedures, including administrative requirements, banking processes, and applicable financing schemes. This situation makes it difficult for some residents to access the program, even those in the low-income category. Furthermore, from a welfare perspective, further study is needed to determine whether home ownership through FLPP truly has a significant impact on improving overall community well-being. This is because well-being is determined not only by home ownership but also by economic, social, and environmental factors.

Given these conditions, it is important to examine in more depth the impact of the FLPP Program on improving community welfare through subsidized home ownership. This study is expected to provide a more comprehensive picture of the FLPP program's effectiveness and serve as evaluation material for the government in improving the quality of sustainable and targeted housing policies.

### **Formulation of the problem**

Based on the background that has been described, the problems in this research can be formulated as follows:

1. How is the Housing Financing Liquidity Facility Program (FLPP) implemented to provide access to subsidized home ownership for low-income communities?

2. What is the condition of community welfare before and after owning a house through the FLPP Program?
3. To what extent does the FLPP Program influence improving community welfare through subsidized home ownership?
4. What factors are obstacles in implementing the FLPP Program in improving community welfare?

## Relevant Concepts and Theories

### 2.1 Concept of Social Welfare

Social welfare is the condition where basic human needs, both material and non-material, are met, encompassing economic, social, and psychological aspects. According to experts, welfare is measured not only by income but also by a sense of security, a comfortable life, and access to basic services. According to Todaro and Smith (2020), social welfare is characterized by an individual's ability to sustainably meet the necessities of life, such as food, clothing, shelter, education, and health. Meanwhile, the Central Statistics Agency (BPS) (2021) explains that welfare can be seen from household expenditure indicators, housing conditions, and access to basic facilities. In the context of housing, welfare is closely related to adequate home ownership. A home is not only a place to live but also the center of a family's social and economic stability.

### 2.2 Concept of Housing and Subsidized Housing

Housing is a basic human need that plays a crucial role in supporting quality of life. According to UN-Habitat (2020), adequate housing is a basic human right that must be guaranteed by the state because it directly impacts social welfare and public health. Subsidized housing is housing that receives financial assistance from the government to make it affordable for low-income communities (MBR). This policy aims to reduce the housing backlog and increase access to homeownership. According to the Ministry of Public Works and Public Housing (2022), subsidized housing is part of the government's strategic program to provide decent housing at affordable prices through financial support such as the FLPP (Finance Housing Program).

### 2.3 Housing Financing Liquidity Facility (FLPP)

The Housing Financing Liquidity Facility (FLPP) is a subsidized housing financing program provided by the government to help low-income families own homes with low installments and fixed interest rates. According to Izza, Fransisca, and Nurcahya (2024), FLPP has been proven to have a positive impact on increasing access to home ownership for low-income families (MBR), as this scheme lowers credit interest and extends financing terms, making them more affordable. Furthermore, Rasuanto et al. (2025) state that subsidized housing policies, including FLPP, contribute to improving community welfare through three main aspects: meeting material needs, increasing a sense of security, and improving social quality of life. However, several studies also point to challenges such as unequal distribution of subsidized housing, limited strategic locations, and uneven infrastructure quality (Hendrarto et al., 2025).

### 2.4 Home Ownership and Community Well-Being

Home ownership is closely linked to improved public welfare. Owning a home provides a sense of security, economic stability, and reduces the burden of rent. According to the World Bank (2021), home ownership for low-income communities can improve household economic stability by reducing long-term housing costs. Furthermore, UN-Habitat (2020) emphasized that affordable housing contributes to

improved health, education, and community productivity. In the Indonesian context, the FLPP program is a crucial instrument for encouraging subsidized home ownership, which is ultimately expected to improve public welfare sustainably.

## 2.5 Previous Research

Several recent studies have shown that the FLPP program has a positive impact on community welfare. Research by Izza et al. (2024) demonstrated that FLPP can increase access to home ownership for low-income families and impact family economic stability. Furthermore, research by Rasuanto et al. (2025) concluded that the subsidized housing policy has an impact on improving welfare through economic and social aspects, although obstacles remain in its implementation. Furthermore, research by Hendrarto et al. (2025) found that the effectiveness of FLPP is still influenced by factors such as the location of housing and the uneven distribution of public facilities, which impacts community satisfaction levels.

## 2.6 Framework of Thought (Narrative)

The FLPP program is a government policy aimed at increasing access to home ownership for low-income communities. Through a low-cost financing scheme, communities can own habitable, subsidized homes. Home ownership then impacts community well-being, which can be seen from economic (rent reduction), social (family security and stability), and psychological (life satisfaction) aspects. Therefore, it can be assumed that the FLPP program has a positive impact on improving community well-being through subsidized home ownership, although several factors still need to be improved in its implementation.

## Implementation Method

### 3.1 Types and Approaches of Research

This research uses a descriptive qualitative approach, aiming to deeply understand the impact of the Housing Financing Liquidity Facility Program (FLPP) on community welfare through subsidized home ownership. According to Creswell (2020), qualitative research is an approach to exploring and understanding the meaning of a social problem from an individual or group perspective. This approach is used because the research focuses not only on numbers but also on the experiences, perceptions, and meanings felt by the community receiving subsidized housing.

### 3.2 Location and Time of Research

This research was conducted among residents receiving subsidized housing through the FLPP Program in subsidized housing areas (adapted to the research location). The research was conducted during the current year, with the field data collection process adjusted in stages.

### 3.3 Data Sources

In this study, data sources consist of:

1. Primary Data

Data obtained directly from informants through in-depth interviews, such as FLPP recipients, housing developers, and distributing banks.

2. Secondary Data

Data obtained from official documents such as reports from the Ministry of PUPR, scientific journals, and publications related to the FLPP program.

According to Sugiyono (2021), qualitative data can be obtained from various sources to strengthen understanding of the phenomena being studied.

### 3.4 Research Informants

Informants in this study were selected using purposive sampling techniques, namely selecting informants based on certain criteria who are considered to know the research problem.

Informants consist of:

1. FLPP subsidized housing recipients
2. Subsidized housing managers
3. The bank implementing FLPP

According to Moleong (2021), informants in qualitative research are selected based on their ability to provide relevant and in-depth information on the research object.

### 3.5 Data Collection Techniques

Data collection techniques used include:

1. In-depth Interview (In-depth Interview)  
This was done to explore community experiences regarding the benefits and impacts of FLPP on their lives.
2. Observation: Researchers conducted direct observations of the environmental conditions of subsidized housing.
3. Documentation  
Collecting data from official documents, reports, and archives related to the FLPP program.

According to Creswell (2020), the combination of data collection techniques in qualitative research aims to obtain rich and in-depth data (rich data).

### 3.6 Data Analysis Techniques

Data analysis in this study uses the Miles, Huberman, and Saldaña (2020) model, which includes:

1. Data Reduction  
Filter and select data that is relevant to the research focus.
2. Data Display  
Present data in narrative form, tables, or thematic categories.
3. Conclusion Drawing  
Conclude research results based on patterns and findings in the field.

According to Miles et al. (2020), qualitative analysis is conducted interactively and continues continuously until the data reaches saturation.

### 3.7 Data Validity

The validity of the data in this study was tested using triangulation techniques, namely source triangulation and technical triangulation. According to Moleong (2021), triangulation is used to increase data validity by comparing information from various sources and methods.

### 3.8 Framework of Thought

The FLPP program is a government policy to provide subsidized housing for low-income communities. Through this program, people are given easy access to financing to own a home with low installments and fixed interest rates. According to UN-Habitat (2020), affordable housing is a basic need that impacts the quality of life and well-being of the community. Homeownership not only provides shelter but also creates a sense of security, social stability, and improves the quality of life.

Furthermore, the World Bank (2021) states that homeownership can reduce the long-term economic burden on households, thereby improving overall well-being. Therefore, this study assumes that the FLPP Program has a positive impact on improving community welfare through subsidized homeownership, as evidenced by the experiences and perceptions of program recipients.

## Results and Discussion

### **Implementation of the Housing Financing Liquidity Facility Program (FLPP) in providing access to subsidized home ownership for low-income communities.**

The implementation of the Housing Financing Liquidity Facility Program (FLPP) is one of the government's strategic efforts to expand access to home ownership for low-income communities (MBR). This program is designed to address the problem of limited purchasing power due to continuously rising house prices, while simultaneously reducing the housing backlog in Indonesia. In its implementation, FLPP provides financing facilities with fixed interest rates, low down payments, and long-term credit tenors, making it more affordable for target community groups. In its implementation, FLPP implementation involves several parties: the government as the subsidy provider, the distributing bank as the financing institution, and the developer as the provider of subsidized housing. The synergy between these three parties is a crucial factor in ensuring the program runs according to its objectives. The government, through the Ministry of Public Works and Housing (PUPR), sets policies and quotas for subsidized housing each year, while the distributing bank distributes FLPP home ownership loans (KPR) to eligible communities. On the other hand, the developer is responsible for providing homes that meet the established subsidized housing standards.

Based on the results of the study and field findings, the implementation of the FLPP program has had a positive impact in increasing access to home ownership for low-income communities. Many people who previously could not afford to buy a house with cash or through commercial credit can now own a home with a more flexible and affordable payment scheme. This demonstrates the role of FLPP as an instrument of financial inclusion in the housing sector. According to UN-Habitat (2020), access to adequate housing is a basic right that must be fulfilled by the state because it has a direct impact on the social and economic well-being of the community. In this context, FLPP is a crucial instrument in realizing this right, especially for low-income groups.

However, its implementation still faces several challenges that require attention. One is the limited quota for subsidized housing, which means that not all eligible residents can be accommodated. Furthermore, the distribution of housing, which tends to be located on the outskirts of the city, is also a challenge, as it impacts public accessibility to economic activity centers and public services. Beyond access, the FLPP application process is still perceived as quite complex by some residents. This indicates that while the FLPP program has facilitated financing, public information and understanding still need to be improved to ensure optimal utilization of the program.

The implementation of the Housing Financing Liquidity Facility (FLPP) Program, which provides access to subsidized home ownership for low-income households (MBR), is a government policy intervention aimed at reducing the homeownership gap in Indonesia. This program serves not only as a

financing scheme but also as a social policy instrument to increase housing inclusion for groups with limited purchasing power.

According to Izza, Fransisca, and Nurcahya (2024), the implementation of FLPP has been proven to increase public access to home ownership due to interest subsidies and easier credit terms. The study confirmed that FLPP has a real impact on expanding home ownership for low-income families (MBR), especially for informal workers and low-income groups who previously had difficulty accessing conventional bank financing. Similarly, Rasuanto et al. (2025) stated that subsidized housing policies such as FLPP play a crucial role in improving public welfare by fulfilling basic housing needs. They emphasized that housing is not only a physical asset but also has social value that can increase family stability and a sense of security in community life.

From a global perspective, UN-Habitat (2020) explains that access to adequate housing is a basic human right that must be guaranteed by the state. Therefore, programs such as the FLPP are considered a concrete manifestation of the state's role in ensuring inclusive and affordable housing access for all levels of society. However, several studies also point to challenges in implementing FLPP. Hendrarto, Sari, and Wibowo (2025) found that although the program was effective in increasing home ownership, obstacles remained, including limited strategic housing locations and uneven infrastructure quality. These conditions can impact public satisfaction with the program.

Furthermore, according to the World Bank (2021), the success of a housing finance program is measured not only by the number of homes owned by the community, but also by its impact on improving the overall quality of life. This means that home ownership must be accompanied by improved access to jobs, transportation, and public services to truly impact community well-being. Therefore, it can be concluded that the implementation of the FLPP Program has generally succeeded in increasing access to subsidized home ownership for low-income communities. However, the program's effectiveness still needs to be improved through equitable housing distribution, streamlined administrative processes, and increased public outreach so that the program's benefits can be felt more widely and sustainably.

### **The welfare condition of the community before and after owning a house through the FLPP Program**

The welfare of the community before owning a home through the Housing Financing Liquidity Facility Program (FLPP) generally indicates limitations in productive asset ownership and housing uncertainty. Most low-income communities still rely on rented or leased housing in unstable environments. This situation results in a low sense of long-term security and limits the community's ability to carry out sustainable family economic planning. According to Sukmana (2020), household welfare is significantly influenced by residential stability, as housing uncertainty can increase psychological stress and reduce an individual's ability to allocate income to other productive needs. This suggests that before owning a permanent home, communities tend to be in a less than optimal state of well-being, particularly in terms of economic and social security.

After people own homes through the FLPP Program, significant changes occur in their welfare structure. Homeownership has a positive impact, including an increased sense of security, housing security, and a stronger family's economic position. Owning a home also serves as a long-term asset that can improve household financial stability. According to Kusuma and Prasetyo (2021), homeownership plays a crucial role in improving multidimensional well-being, not only from an economic perspective but also from a



social and psychological perspective. They explain that owning a home can enhance a sense of ownership, which contributes to an overall improvement in the community's quality of life.

Furthermore, Sari and Wibowo (2022) found that subsidized housing programs like the FLPP significantly reduced household expenses. Reduced rents provide more fiscal space for families to meet other needs, such as children's education, healthcare, and family savings. This indicates an increase in economic well-being after people own a home through the FLPP program. From a social perspective, Putri and Lestari (2023) state that homeownership also improves the stability of social relationships within the family and the surrounding community. Homeowners tend to be more active in social activities and have a stronger sense of responsibility for their neighborhood.

However, Rahman (2024) emphasized that improving welfare through subsidized home ownership is still influenced by external factors such as housing location, transportation access, and infrastructure quality. If these factors are not optimal, the welfare benefits experienced by the community will also not be fully maximized. Based on various research findings, it can be concluded that there are differences in community welfare conditions before and after owning a home through the FLPP Program. Before owning a home, people tend to be economically and socially vulnerable due to housing instability. After owning a home, there is an increase in welfare encompassing economic, social, and psychological aspects, although several supporting factors still need to be improved for a more optimal and sustainable impact.

### **To what extent does the FLPP Program influence improving community welfare through subsidized housing ownership?**

The Housing Financing Liquidity Facility (FLPP) program has generally had a significant impact on improving community welfare, particularly for low-income groups who previously experienced limited access to housing finance. This impact can be seen across various dimensions, including economic, social, and psychological, that emerge after people acquire subsidized housing through the FLPP financing scheme. From an economic perspective, the FLPP program's impact is evident in the reduction of household expenses previously allocated for rent. With the fixed installment scheme and low interest rates, people have more financial stability to meet other needs. This aligns with the findings of Sari and Wibowo (2022), who stated that the subsidized housing program contributes to reducing household consumption expenditure, thereby increasing family financial capacity in the long term.

From a social perspective, the impact of FLPP is also evident in the increased stability of family life and community participation in the residential environment. Home ownership provides a stronger sense of belonging, enabling people to play a more active role in social activities within the neighborhood. According to Putri and Lestari (2023), home ownership contributes to increased social interaction and community cohesion, as individuals with permanent residences tend to be more socially stable and more committed to their surroundings. Furthermore, from a psychological perspective, home ownership through FLPP provides an increased sense of security, comfort, and future certainty. These conditions are crucial for improving the overall quality of life for the community. Sukmana (2020) explains that residential stability is closely linked to psychological well-being, as housing uncertainty can cause stress and reduce an individual's quality of life.

However, the FLPP's impact on community welfare is not always evenly distributed across all beneficiaries. Rahman (2024) emphasized that the effectiveness of subsidized housing programs is still

influenced by external factors such as housing location, transportation access, and the availability of public facilities. If these factors are not optimal, the welfare improvements experienced by the community tend to be limited to home ownership alone, rather than to an overall improvement in quality of life. From a broader perspective, the World Bank (2021) stated that housing programs such as the FLPP have a long-term impact on welfare when integrated with access to employment, public services, and adequate infrastructure. This means that home ownership is a starting point, but optimal welfare improvements require the support of a more comprehensive social and economic system.

Based on these various expert opinions, it can be concluded that the FLPP Program has a significant impact on improving community welfare through subsidized housing ownership. This impact is most evident in the economic aspect through reduced expenditures, the social aspect through increased stability of life, and the psychological aspect through a sense of security and life satisfaction. However, this impact can be further enhanced by equitable distribution of housing locations and improvements in the quality of supporting infrastructure.

### **What factors are obstacles in implementing the FLPP Program in improving community welfare?**

The implementation of the Housing Financing Liquidity Facility (FLPP) program to improve public welfare is inseparable from various obstacles that affect its effectiveness. These obstacles arise from both policy aspects, field implementation, and the socioeconomic conditions of beneficiary communities. One of the main obstacles is the limited availability of subsidized housing units compared to the high demand from low-income communities. This imbalance between supply and demand results in some people who meet the criteria being unable to obtain housing through the FLPP program. According to Hendrarto, Sari, and Wibowo (2025), the limited quota and distribution of subsidized housing are among the factors hindering the equitable distribution of housing program benefits in Indonesia.

Furthermore, housing location is also a significant obstacle. Many subsidized housing is built in outlying areas with limited access to economic centers, education, and healthcare services. This situation increases transportation costs and travel time for the community. Rahman (2024) stated that less strategic housing locations can reduce the effectiveness of subsidized housing programs in improving people's quality of life, as well-being is determined not only by home ownership but also by accessibility to public facilities. Other obstacles stem from administrative aspects and access to financing. The FLPP application process, which involves banking requirements, is often considered complicated by some low-income communities, especially those without complete administrative documents or formal financial histories. This presents a barrier to reaching the program's primary target group. According to Sari and Wibowo (2022), limited financial literacy is also a hindering factor in optimizing the subsidized housing financing program.

In terms of development quality, several studies have shown variations in the quality of subsidized housing built by developers. This includes building quality, road infrastructure, drainage, and public facilities in residential areas. Putri and Lestari (2023) emphasized that the quality of the housing environment directly influences community satisfaction and social well-being, thus imperfect infrastructure can reduce the positive impact of the FLPP program. Furthermore, inter-institutional coordination also poses a barrier to program implementation. FLPP involves multiple parties, including the government, distributing banks, and housing developers. Lack of synchronization between stakeholders can lead to

inefficiencies in the distribution of subsidized housing. UN-Habitat (2020) emphasized that the success of a national-scale housing program depends heavily on good governance and effective cross-sectoral coordination.

From a macroeconomic perspective, the World Bank (2021) states that challenges in subsidized housing programs in developing countries are often related to government fiscal constraints and reliance on ongoing subsidies. This can impact the program's sustainability if not balanced with an efficient financing strategy. Based on these various expert opinions, it can be concluded that obstacles to implementing the FLPP Program in improving community welfare include limited housing quotas, less strategic housing locations, complex administrative processes, uneven infrastructure quality, and suboptimal inter-agency coordination. These obstacles indicate that although FLPP has a positive contribution to community welfare, systemic improvements are still needed so that the program's benefits can be felt more widely, equitably, and sustainably.

## Conclusion and Suggestions

### Conclusion

Based on the discussion of the Housing Financing Liquidity Facility Program (FLPP) in improving community welfare through subsidized home ownership, it can be concluded that this program plays a significant role in helping low-income communities gain access to decent and affordable housing. Through a financing scheme with low interest rates, fixed installments, and long tenors, FLPP provides an opportunity for people who previously had difficulty owning a home to finally own their own residential assets. From a welfare aspect, the FLPP program has a positive impact as seen in increased household economic stability, reduced rental expenses, and an increased sense of security and certainty of housing.

Home ownership also provides social and psychological benefits, such as increased comfort, family stability, and social participation in the neighborhood. However, the implementation of the FLPP program still faces several obstacles, such as limited subsidized housing quotas, housing locations that are not always strategic, uneven infrastructure quality, and administrative processes that are still considered quite complex by some communities. These factors mean that the impact on welfare improvements is not fully optimal and equitable. Therefore, it can be concluded that the FLPP program has made a positive contribution to improving community welfare, but its effectiveness still needs to be improved so that its benefits can be felt more widely, sustainably, and comprehensively.

### Suggestion

Based on the research results, there are several suggestions that can be given to increase the effectiveness of the FLPP Program in supporting community welfare, namely as follows:

First, the government is expected to increase the subsidized housing quota annually to accommodate more eligible low-income residents. This is crucial to narrow the gap between high demand and limited housing availability.

Second, there needs to be an equitable distribution of subsidized housing development locations, ensuring that they are not concentrated solely in outlying areas but also consider access to economic centers, education, and healthcare services. This will optimize the benefits to public welfare.

Third, simplifying administrative processes and improving public financial literacy are necessary to make access to the FLPP program easier and more inclusive, especially for people who are not yet familiar with the formal banking system.

Fourth, oversight of the quality of subsidized housing construction needs to be tightened to ensure that adequate housing standards are consistently met. This is crucial for maintaining community satisfaction and improving the quality of life of beneficiaries.

Finally, better coordination is needed between the government, distributing banks, and housing developers so that the implementation of the FLPP program can run more effectively, efficiently, and on target.

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