



DEMAND IN HOUSE RENTAL BUSINESS FOR POOR AND LOW-INCOME SECTOR IN THE PHILIPPINES: A LITERATURE REVIEW

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ABSTRACT

This study aimed to discuss the different issues behind the demand in house rental business in the Philippines by reviewing various articles relative to housing demand, poverty, and inequality. The reason behind why people in poor and low-income sectors prefer to rent despite various government programs designed to help them. This paper specifically aims to identify the research gap in the housing demand, particularly in the poor and low-income sectors of the Philippines. It reviewed articles published in online international journals from 2016 to 2021 and the literature reviewed reveals why people in this sector prefer to rent. This study shows the underlying issues that hinder these sectors from owning their own homes.

Keywords: House rental, leasing, low-income, poverty, rent.

INTRODUCTION

House rental business has always been dominant and one of the highest paying businesses in the Philippines. According to Sharma and Samarin (2021), the abstract Rental housing accommodates more than a billion tenants worldwide. In recent years, rentership has been increasing in some countries, which is correct because the demand for housing continues to increase because of the growing population that eventually leads to overvaluing land.

Aside from the rising demand, a house rental business is also a good source of stable income and considered a form of investment, the reason why people who have the means to buy it use it to lease to people who need it. In the past years, some countries have made enormous progress in meeting the housing needs of their nations. In contrast, others still face significant challenges of severe housing shortage, substandard housing, and slums.

Housing has a tremendous impact on people's life. Aside from the access to essential services and basic needs a comfortable housing is vital in every people. It creates stability, community, and engagement, which is vital to the economy. The role of housing as a social determinant of health is well-established, but the causal pathways

are poorly understood beyond the direct effects of physical housing defects. For low-income, vulnerable households, there are particular challenges in creating a sense of home in a new tenancy that may substantially affect health and well-being, Rolfe, S., Garnham, L., Godwin, J. et al. (2020).

According to Madden and Marcuse (2016), housing means many things to different groups. It is home for its residents and the site of social reproduction. It is the largest economic burden for many, and for others a source of wealth, status, profit, or control. It means work for those who construct, manage, and maintain it; speculative profit for those buying and selling it; and income for those financing it. It is a source of tax revenue and a subject of tax expenditures for the state, and a key component of the structure and functioning of cities.

Based on Philippine Statistics Authority, 2020 Census of Population and Housing (2020 CPH) Population Counts Declared Officially by the President, the total Philippine population as of May 1, 2020, is 109,035,343 with a 1.63 percent average annual population growth rate for the Year 2015-2020. Region IV-A (CALABARZON) holds the most extensive population, followed by the National Capital Region (NCR) and Region III (Central Luzon). These three regions hold at least 38.6 percent of the total population for the Year 2020. Over the years, the Philippines' economic growth has been impressive, and one of the significant determinants is rural-urban migration.

According to World Bank (2017), urbanization is one of the most significant drivers of development; it can provide a pathway out of poverty and act as an engine of growth. Today, half of the Philippines' population lives in cities, and the proportion will continue to increase to reach over 80 percent by 2050. However, as the population rises each year, land has been increasingly scarce and expensive, making it less affordable to low-income Filipinos.

Table 1. Population and Annual Growth Rate for the Philippines and its Regions based on 2015, and 2020 Censuses.

REGION, PROVINCE, AND HIGHLY URBANIZED CITY	TOTAL POPULATION		POPULATION GROWTH RATE	
	1-Aug-15	1-May-20	2015-2020	2010-2020
PHILIPPINES	100,981,437 ^c	109,035,343 ^d	1.63	1.67
NATIONAL CAPITAL REGION (NCR)	12,877,253	13,484,462	0.97	1.29
CORDILLERA ADMINISTRATIVE REGION (CAR)	1,722,006	1,797,660	0.91	1.06
REGION I (ILOCOS REGION)	5,026,128	5,301,139	1.13	1.11
REGION II (CAGAYAN VALLEY)	3,451,410	3,685,744	1.39	1.33
REGION III (CENTRAL LUZON)	11,218,177	12,422,172	2.17	2.05
REGION IV-A (CALABARZON)	14,414,774	16,195,042	2.48	2.53
MIMAROPA REGION	2,963,360	3,228,558	1.82	1.64
REGION V (BICOL REGION)	5,796,989	6,082,165	1.02	1.16
REGION VI (WESTERN VISAYAS)	7,536,383	7,954,723	1.14	1.14
REGION VII (CENTRAL VISAYAS)	7,396,898	8,081,988	1.88	1.74
REGION VIII (EASTERN VISAYAS)	4,440,150	4,547,150	0.50	1.04
REGION IX (ZAMBOANGA PENINSULA)	3,629,783	3,875,576	1.39	1.29
REGION X (NORTHERN MINDANAO)	4,689,302	5,022,768	1.46	1.57
REGION XI (DAVAO REGION)	4,893,318	5,243,536	1.46	1.61
REGION XII (SOCCSKSARGEN)	4,545,276	4,901,486	1.60	1.78
REGION XIII (Caraga)	2,596,709	2,804,788	1.63	1.45
BANGSAMORO AUTONOMOUS REGION	3,781,387	4,404,288	3.26	3.06

Sources: Philippine Statistics Authority, 2015 Census of Population and Housing
Philippine Statistics Authority, 2020 Census of Population and Housing

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Flores, Jang, and Lee (2021) mentioned that from rapid population growth, urbanization, and rural-urban migration, the housing crisis of the Philippines remains a challenge. The impact of urbanization has resulted in spatial, political, and social change, especially on low-income urban residents. While the fast-paced development due to urbanization is evident, the demand for basic housing and other services continues to grow and leads to informal settlements. According to Arcilla's (2018, as cited in Flores et al., 2021) study, The Philippines housing sector has a significant gap between the demand and supply of housing. The country is currently experiencing a 'dual housing crisis - producing empty/unoccupied socialized housing amid a chronic housing shortage or backlog, particularly for low-income Filipino families. The housing cost burden might also affect the life cycle itself.

Calabrese, Beadles, and French-Fuller (2021) stated that Housing prices are increasing at rapid rates while wages lag, the availability of units continues to decrease, and families who cannot find or afford a place to live face the risk of becoming homeless. In the same view of Alex Schwartz (2021), he mentioned that poverty puts people at risk of becoming homeless, but homelessness itself can drag people down into poverty. The loss of one's home, or even the threat of homelessness posed by eviction proceedings, can make it extremely difficult to keep or find a job. People who experience evictions and homelessness as children are especially likely to live in poverty as adults.

Table 2. Distribution of Families by Income Class, by Main Source of Income: 2018
(In thousands)

All Income Classes	Less than 40,000	40,000 - 59,999	60,000 - 99,999	100,000 - 249,999	250,000 - 499,999	500,000 and over
24,747	135	440	2084	11350	7078	3661

Source: Philippine Statistics Authority, 2018 Family Income and Expenditure Survey

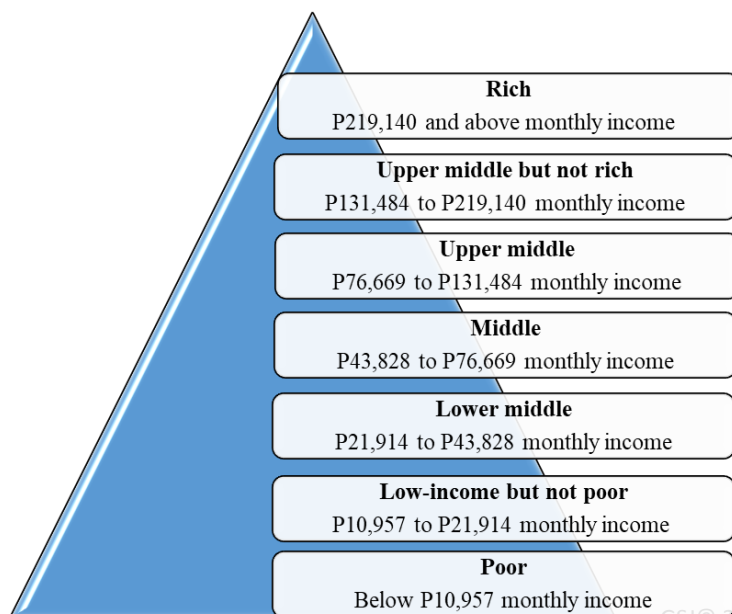
Table 2 shows the income distribution of families based on the primary source of income. The average of 135,000 families composed of million Filipino individuals earns Php 40,000.00, and below, this constitutes the lower middle, low income, and poor Filipinos categorized based on income levels by the Philippine Institute of

Development Studies (PIDS). It also gives us a clear picture of how many families are considered wealthy by earning Php 249,999 to 500,000.00 and over. To understand it better, Figure 1 shows the Identified Social Classes based on Income Levels.

Figure 1. Social Classes based on Income Levels

Source: Philippine Institute of Development Studies, 2020 Poverty, the Middle Class, and Income Distribution amid COVID-19

The Philippine Institute for Development Studies established a category for Filipinos based on their income levels. These are the poor individuals, are people earning Php 10,957.00 and below, while the low-income earners but not considered poor are earning Php 10,957.00 to Php 21,914.00 a month,



the lower middle are people whose monthly income are Php 21,914.00 to Php 43,828. The Middle-income, earning from Php 43,828.00 to Php 76,669.00 monthly, the Upper-middle who earns Php 76,669.00 to Php 131,484.00, Upper-middle but not rich with monthly income of Php 131,484.00 to Php 219,140 and lastly, the Rich who earns Php 219,140.00 and above monthly.

Table 3. Income Groups in the (Per Capita), Income Thresholds and Sizes of Income Groups in 2018

Income group	Definition	Size of Income Group	
		Number of Households	Number of Persons
Poor	Per capita income less than official poverty threshold	2.9 million	17.7 million
Low income (but not poor)	Per capita incomes between the poverty line	8.4 million	40.7 million
Lower middle income	Per capita incomes between twice the poverty line and four times the poverty line	7.6 million	31.0 million
Middle class	Per capita incomes between four times the	3.1 million	11.2 million
Upper middle income	Per capita incomes between seven times the	1.2 million	3.8 million
Upper income (but not rich)	Per capita incomes between twelve times the	358 thousand	1.0 million
Rich	Per capita incomes at least equal to twenty	143 thousand	360 thousand

Source: Philippine Institute of Development Studies, 2020 Poverty, the Middle Class, and Income Distribution amid COVID-19

Table 3 shows the size of the income group based on the number of households and number of people. The poor income group has a total of 2.9 million households composed of 17.7 million persons, while low income but not poor consists of 8.4 million households with 40.7 million persons. Followed by lower middle income with a total household of 7.6 million and composed of 31.0 million persons. A proof that the Philippine population is mainly in the Poor, low-income, and lower-middle-income groups.

This review article will focus on low-income and poor people and identify issues that hinder these people from having their own homes. For example, why do they prefer to rent even there are various government programs to support them. This article will review some of the Government housing programs and their Pros and Cons.

DISCUSSION

The common reasons why people in the low-income sector prefer to rent are because of its affordability, convenient transportation, and easy access to essential services and needs. According to Arcilla (2019), the lack of affordability is a persistent problem in socialized housing programs in the Philippines. Affordability is a critical component of the right to adequate housing. Without access to affordable housing, the poor are forced to create homes in unsafe spaces and slums. The Philippine government provides various programs to help aid the housing crises. Watanabe (2016) reiterated that relocation is still the dominant approach despite a high attrition rate in resettlement projects. As informal dwellings proliferate, there is no organized densification, and instead, more spaces are used without following a coherent land-use plan. Planning coordination among LGUs is lacking or weak, compromising land use compatibility or integration across localities and resulting in the inefficiency of basic services for transportation and traffic management.

Based on the study of McTarnaghan, Martin, Srini, and Collazos (2016), housing location has implications not only on segregation at an urban scale but also on access to opportunity at an individual household level, focuses on the spatial distribution of housing and its interactions with individual opportunity, including transportation, employment, public services, and utilities, and urban amenities. Most of the people prefer renting as it is more convenient and affordable for them, and easy access to essential services and opportunities. That is why people in rural areas move to urban areas.

Gilbert (2016) discussed that many groups in society, the young, migrants, and recently independent households, all need the kind of accommodation that renting can provide. Related articles focus on the above-stated factors. This literature review will tackle the other reasons why people in low-income sectors cannot afford it and why there is still a demand despite government housing programs.

Underpayment of Salary and Wages

Most of the businesses in the Philippines took advantage of paying their workers below the standard minimum rate, especially workers coming from Manpower Agencies such as Janitorial Services, Security Agencies, Construction Workers, Maids, Part-timers, and Contractual Jobs. These people are earning Php 21,914.00 and below and are still overworked. They are required to work more than Eight (8) hours a day without overtime pay. Based on Wage Order No. NCR-22, the Standard Minimum Wage in National Capital Region (NCR) for non-agriculture, is at Php 537.00 per day approved last 22 November 2018, a minimum wage that workers should receive to cover their essential needs such as food, water, clothes, and shelter. Everyone needs a place that they can call home, where they can rest after long working hours. According to King, Orloff, Virsilas, and Pande (2017), Home ownership creates both shelter and a financial asset, but it is not an option for the very poor or those who lack the documentation to qualify for mortgages or subsidies. Yes, everyone needs a shelter but not everyone has a means have it.

The one major factor of poverty is the graft and corruption that exists in all levels of government, and it is one of the biggest problems in the Philippines. It is no surprise to hear news reports of plundering of funds, the most famous case being the misuse of the Priority Development Assistant Funds or more known as the “pork barrel” scam, Kibin (2021). It is a fact that government officials use the public fund for their benefit. The Philippines ranked 115th in Global Corruption Index by Berlin-based watchdog Transparency International based on a survey conducted for the Year 2020, which also shows the total of 86% of people who thinks that corruption is the big problem and 19% of public service users paid a bribe in the previous 12 months. Poverty and inequality in the Philippines have always been a challenge, and people in the low-income sector remain poor. One of their major problems is Housing Poverty; people who cannot afford to buy and rent a house have no other choice but to live in slums, also known as Informal Settlers. However, the author believed that the main reason behind it was corruption and inequality.

Laws meant to protect individual rights and liberties help societies maintain order, and without laws, there would be no way to set standards, but does it serve its purpose? In today’s society, government officials are the modern thief but never once set foot in jail despite all the evidence. When rich and powerful people are proven guilty but still treated with care and people who have less suffer every day.

The government has established rules and guidelines, but not all of them were followed and implemented by most businesses in the Philippines. According to Turok and Borel-Saladin (2016), poor urban residents have rented various forms of informal accommodation, including makeshift structures or rooms in houses in low-income suburbs and inner-city tenement buildings, informal settlements, or other people’s backyards. Backyard dwellings have become the dominant, fastest-growing type of informal rental housing, while King, Orloff, Virsilas, and Pande (2017) said that the unmet need for adequate and affordable housing leads directly to the

proliferation of poorly served informal settlements, as people who are unable to access housing formally find shelter as best they can, but this is not just about affordability; most of the people in the low-income sector cannot have their own homes because they do not receive what is due to them by law. The Philippines has a loose and poor implementation of rules and guidelines; these unethical practices are common to most businesses in the Philippines. It is disheartening that people who should implement the law are the first ones who disobey it. It is a known fact that our government officials support these businesses and accept bribes or what is commonly known as an under-the-table charge. According to Alex Schwartz (2021) emphasized that Policies and programs are designed to help low-income and other disadvantaged individuals and households access decent and affordable housing. It examines programs and policies that subsidize housing for low-income households or that attempt to break down institutional barriers, such as discriminatory practices in the real estate industry that impede access to housing.

The Philippine government has established various policies and programs, but it was never enough to solve the housing crisis in the low-income sector of the Philippines. Today's poor live in substandard housing in many rapidly urban cities, often on public and marginal lands. They may have access to economic opportunities in the city's center or other locations but lack sufficient, secure, affordable housing. Such housing is often insecure and low quality with limited access to services, King, Orloff, Virsilas, and Pande (2017). People who work the most are the people who have limited access to essential services and live in low-quality houses because their salary is not enough. Suppose our government makes an action regarding underpayment of salary and tightening labor code rules and regulations. In that case, people in poor and low-income sectors can afford to have their own homes.

Underpayment of salary is just one thing. Workers file other labor-related concerns and complaints against their employers: the unremitted mandatory benefits such as Social Security System, Philhealth and Pag-IBIG, illegal dismissal, non-payment of separation pay, retirement pay, overtime, night differential, special and regular holidays. The National Labor Relations Commission (NLRC) receives loads of complaints from different workers, especially workers in the low-income sector. Table 3 shows the total cases received and settled for the 1st quarter of the Year 2021.

Table 4. Comparative Data - Inflow vs. Outflow (Cases Received vs. Cases Disposed) 2021 (1st Quarter)

LEVEL	2020		2021	
	Cases Received	Cases Disposed	Cases Received	Cases Disposed
Regional Arbitration Branches	9,729	8,327	2,498	1,538
Commission Proper	2,687	1,741	1,115	512
Total	12,416	10,068	3,613	2,050

Source: National Labor Relations Commission, 2021 (1st quarter) Status of Implementation & Evaluation/Assessment

The total cases received for the 1st Quarter of the Year 2020 is 12,416, and 10,068 were disposed or closed, while the Year 2021 shows 3,613 cases filed and 2,050 were settled. Table 3 shows that the year 2021 cases received are lower than the Year 2020 because of the Covid-19 outbreak in February 2020 and the implementation of Enhanced Community Quarantine (ECQ), especially in metro manila. In addition, there is a surge in employee complaints due to business closure, retrenchment, and downsizing without giving what is intended for affected employees.

Table 5. Double-Barreled (Two-Cycle) Conciliation-Mediation Program 2021 (1st Quarter)

Regional Arbitration Branches (RABs)	No. of Disposed Labor Disputes	No. of Settled Labor Disputes	No. of Workers Benefitted	Judgment Award
Mandatory conference under SEnA	2,507	598	965	P25,639,376.62
Mandatory conference under Compulsory Arbitration	1,538	906	911	P90,906,048.09
TOTAL	4,405	1,504	1,876	P116,545,424.71

Source: National Labor Relations Commission, 2021 (1st quarter) Status of Implementation & Evaluation/Assessment

Single Entry Approach (SEnA) is an administrative approach to provide a speedy, impartial, inexpensive, and accessible settlement procedure of all labor issues or conflicts to prevent them from ripening into full-blown disputes or actual labor cases. The total cases disposed under SEnA are 2,507, and 598 cases were settled majority in favor of Labor/employee, equivalent to 57% and 43% in favor of employers and management, with total of 1,876 workers benefitted along with the Judgement award of Php 116,545,424.71.

Mandatory conciliation-mediation during compulsory Arbitration. Investopedia (2021) defines mandatory binding Arbitration as a private proceeding to settle disagreements between two parties. Parties to a contract agree to have their case reviewed by a third party called an arbitrator and bound by the arbitrator's decision. Total cases disposed under Arbitration is 1,538, and total of 906 complaints was settled, with 70% in favor of employees and 30% in favor of Employers.

Table 6. Comparative Data - Inflow vs. Outflow (Cases Received vs. Cases Disposed) 2021 (2nd Quarter)

LEVEL	2020		2021	
	Cases Received	Cases Disposed	Cases Received	Cases Disposed
Regional Arbitration Branches	289	2,174	9,707	6,511
Commission Proper	210	729	2,442	2,296
Total	499	2,903	12,149	8,807

Source: National Labor Relations Commission, 2021 (2nd quarter) Status of Implementation & Evaluation/Assessment

Table 6 shows a comparative analysis between the 2nd quarter of the year 2020 and the year 2021. Cases received for the year 2021 are 12,149, and 8,807 were disposed of, while the Year 2020 is much lower with 499 complaints and 2,903 cases disposed.

Table 7. Double-Barreled (Two-Cycle) Conciliation-Mediation Program 2021 (2nd Quarter)

Regional Arbitration Branches (RABs)	No. of Disposed Labor Disputes	No. of Settled Labor Disputes	No. of Workers Benefitted	Monetary Award
Mandatory conference under SEnA	8,664	1,061	1,656	P546,912,737.80
Mandatory conference under Compulsory Arbitration	6,511	3,889	3,828	P364,173,339.37
TOTAL	15,175	4,950	5,484	P911,086,077.17

Source: National Labor Relations Commission, 2021 (2nd quarter) Status of Implementation & Evaluation/Assessment

Table 7 shows the Double-Barreled (Two-Cycle) Conciliation-Mediation Program for the 2nd Quarter of the Year 2021. Showing total disposed cases of 8,664 and 1,061 settled under SEnA with a total of 1,656 workers benefited with a monetary award of Php 546,912,737.80 while the total disposed cases under arbitration are 6,511 and 3,889 was settled, works benefited reach to 3,828 with a total monetary award of Php 364,173,339.37 majority in favor to employees than the employer.

No Access to Government Housing Programs

According to Flores, Jang, and Lee (2021) it is critical to guarantee affordable and adequate socialized housing for the poorest 30% of Filipino families whose income barely allows access to basic needs. Affordable or socialized housing refers to housing programs and projects undertaken by the government or the private sector, including sites and social services, long-term financing, and liberalized terms on interest payments. The beneficiaries of the program are underprivileged and low-income Filipino citizens. However, another critical factor why most poor and low-income people cannot possibly buy their own homes is that they do not have access to various government housing programs. In this article, we will discuss the common reasons, the pros, and the cons in the low-income sector regarding housing programs of the Philippine government.

Pag-IBIG Affordable Housing Program (AHP)

The Home Mutual Development Fund (HMDF) offers the Affordable Housing Program (AHP), designed to support the minimum wage earners. This program is exclusive only to Filipino members who have been active and have at least twenty-four (24) months of savings. Filipinos who wish to avail of this program must have a stable job and submit requirements such as Certificate of Employment and Compensation, Latest Income Tax Return (ITR), and One (1) Month Payslip. Most Filipinos in the poor and low-income bracket are not employed; some are in construction works that pay them by the completed project; they do not have specific employers as they only work on a project basis. Moreover, workers are also paid by result whose pay is calculated by quantity or quality of their work and people who work on a task basis. In contrast, most of the employed workers in the private sector do not receive their monthly contributions because of companies negligence and intentional non-payment of what is due to the employee. Some private companies in the Philippines, especially workforce agencies, intentionally pay employees below minimum and pay their mandatory contributions lower than the bracket of employee's salary, not to mention other unrelated or unspecified deductions.

Philippine Statistic Authority (PSA) has identified the total labor force based on a survey conducted dated July 2018. Figure 2 below shows the total number of Pag-IBIG fund members over the labor force surveyed.

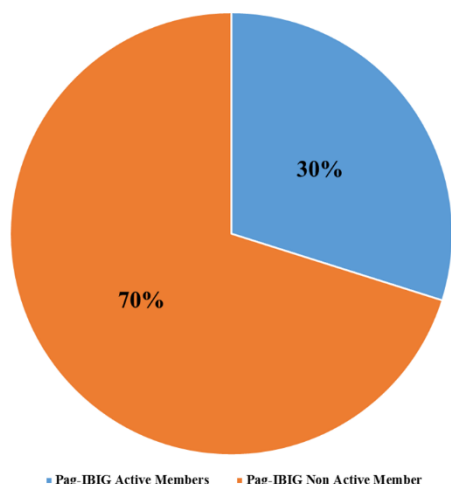


Figure 2. Percentage of Pag-IBIG Fund Active Members Year 2020 Over Labor Force Survey in the Philippines Year 2018.

Source: Philippine Statistics Authority (PSA) Labor Force Survey July 2018 and Home Development Mutual Fund Annual Report for December 31, 2020

The Philippine Statistics Authority (PSA) Labor Force Survey last July 2018 shows that the household population of ages 15 years old and over was estimated at 71.560 million. Wherein about 42.982 million persons were engaged in the labor force while the Annual Report of Home Development Mutual Fund for December 31, 2020, the total active membership stood at 12.77 million and Figure 2 shows that out of 42.982 million labor force there is only 30% or 12.77 million who are active members of Pag-IBIG fund. Therefore, there is a remaining 70% or 30.212 million who are non-active members. A proof that not all work-

ers have access to government benefits and programs. Aside from Pag-IBIG's Affordable Housing Program (AHP), Pag-IBIG also offers traditional housing loans for employees earning above the standard minimum rate. Table 8 below shows the standard rate per Year for housing loans.

Table 8. Rates per Re-Pricing Period - Effective January to June 2021

Period	Rates
1-Yr* Fixing	5.75%
3-Yr Fixing	6.25%
5-Yr Fixing	6.50%
10-Yr Fixing	7.25%
15-Yr Fixing	7.88%
20-Yr Fixing	8.50%
25-Yr Fixing	9.13%
30-Yr Fixing	9.88%

Source: Home Development Mutual Fund, 2021 Rates per Re-Pricing

Table 8 shows that a regular housing loan from Pag-IBIG incurs an interest rate of 5.75% for one year up to 9.88% covering 30 years of housing loan, which is still huge since the minimum rate today is at PhP 537.00 or PhP 16,333.75 per month. On the other hand, suppose an employee earns at least PhP 18,000.00 to PhP 21,000.00 considering all the basic expenses. It is still hard for them to avail this program, especially the low-income but not poor, as classified under the Philippine Institute of Development Studies (PIDS).

Pag-IBIG Housing Loan versus Banks

Pag-IBIG caters a salary and housing loan to its members. At the same time, the banks can be government or semi-government but primarily private companies that cater different kinds of loans to all qualified applicants after they apply and undergo the credit investigation process. In terms of interest rates, banks right now offer much lower interest and flexible terms compared with Pag-IBIG. Banks offer interest rates as low as 5% depending on terms; even though Pag-IBIG can offer interest rates as low as 4.5% of PhP 450,000.00, the bank beats Pag-IBIG because they can offer as much as 5% regardless of the amount and depend on the terms. In terms of processing again, banks are much faster compared to Pag-IBIG. Banks can qualify and release a letter of guarantee within 1 to 3 weeks, depending on the availability of all the requirements needed, while Pag-IBIG takes 3 to 4 months of processing.

Nevertheless, the good thing about Pag-IBIG is their flexibility in terms of paying them in advance. For example, the loan amount is PhP 750,000.00 and the monthly amortization for 30 years terms is PhP 5,600.00 per month. However, if the borrower pays a much more significant amount, for example, PhP 10,000.00, The borrower can finish his loan on an earlier date; why? Because the borrower can request the excess to be credited to the principal, PhP 4,400.00 will automatically be deducted from the principal amount. The other advantage of Pag-IBIG terms is that when the borrower has huge cash, such as an amount equivalent to the principal, the borrower can pay it anytime without additional interest or penalties. However, not all people in the poor and low-income sector are qualified for this program. An individual who wishes to avail of this program must submit the documentary requirements and pass the credibility investigation. This program is exclusive for Pag-IBIG active members only, meaning it is only accessible to a total of 12.77 million members based on the Pag-BIG annual report dated December 31, 2020. Based on Table 3 Income Groups in the (Per Capita), Income Thresholds and Sizes of Income Groups in 2018, 17.7 Million persons consists of Poor Income Group and 40.7 Million persons under Low-income. However, there are only 12.77 Million active members of the Pag-IBIG Fund.

Other than Pag-IBIG, there are also other housing programs designed to help the people living in slums or what we refer to as informal settlers. One of these programs is the Community Mortgage Program (CMP), a Philippines government financing window administered by the Social Housing Finance Corporation (SHFC). That assists organized and formally registered community associations of slum dwellers in purchasing land and developing settlements under the concept of community ownership, Ferido (2019). According to Ballesteros, Ramos, and Magtibay (2016), the goal is for the poor/near-poor ISFs, which have no access to housing loans from private banks, to borrow through the program. CMP allows a loan of Php 400,000.00 to Php 750,000.00 payable within 25 years in equal monthly amortizations with an interest rate of 6% per annum. However, the informal settlers still risk living along danger zones such as waterways, railways, and other similarly hazardous areas.

The government provided resettlement programs to take them out of the danger zones and take them away from work and opportunity. That is why some of them refuse since the relocation is in an area far from their current work. Based on Flores, Jang, and Lee's (2021) study, the Philippines' current private production housing approach hardly addresses the housing issues in terms of affordability, livelihood displacement, living costs, and social service inaccessibility. Therefore, it is critical to guarantee affordable and adequate socialized housing for the poorest 30% of Filipino families whose income barely allows access to basic needs.

Table 9. Loan Released by SHFC Community-Driven Shelter Programs (2019)

	Community Mortgage Program	High Density Housing Program
Number of Projects	132	5
Number of Informal Settler Families (ISFs) Assisted	29,718	1,140
Amount Released	PhP 1,627,349,287.09	PhP 897,501,880.58

Source: Social Housing Finance Corporation. (2019) Annual Report

Based on the Social Housing Finance Corporation (SHFC) Annual Report for the Year 2019, regarding innovating the Community Mortgage Program, as shown above, the total number of loans released for Informal Settler Families (ISF's) Php 2,524,851,167.67 granted to 29,718 families from Community Mortgage Program and 1,140 families in High-Density Housing Program. Aside from all the effort in providing a housing program, there is still a huge need for a housing rental business as this is the best option for people who earn just enough to survive day-to-day life.

Pros and Cons of Housing Programs

Pros	Cons
<ul style="list-style-type: none"> • Affordable • Reduce poverty • Reduce homelessness • Beneficial low-income earners • Low interest rates 	<ul style="list-style-type: none"> • Social Isolation • Unsafe • Low quality housing • Located in deprive areas • Away from opportunity and work • Requirements are hard to produce • No access to basic services and basic needs

Government housing programs may be an excellent way to help the less fortunate. Still, it is not enough to solve the housing crisis in the Philippines, and we are still far from that, considering today's situation caused by the Covid-19 pandemic. The poverty rate had increased since February 2020; businesses were heavily affected, especially businesses engaged with social interactions. The Philippines need more resources and opportunities that can attract private investors to construct enough new houses and reduce the housing crisis in the long term.

CONCLUSIONS

Based on reviewed articles, there are respective reasons why most people in the poor and low-income sector prefer to rent and live in slums. Most of it is because of its affordability, easy access to essential services and needs such as food, water, clothing, medical, and transportation. However, the literature reviewed shows the insufficiency of studies on the deep causes of why people in the poor and low-income sectors cannot afford a home. This study discussed why the poor remain poor and why people who worked more than the time specified in law still struggle financially despite the government efforts and programs. Thus, the above-discussed causes gave way to private investors to construct enough new houses and eventually reduce the housing crisis in the long term; therefore, the demand for house rental businesses in the Philippines is still huge. The author recommends conducting more study on government deficiency, graft, and corruption that hinders people in poor and low-income sectors from acquiring their own homes.

ACKNOWLEDGMENT

The author wishes to thank Dr. Juan O. Abarro for his guidance throughout this literature review article to Ms. Jennybell Recodo and Ms. Arianne Gail Patricio for their ideas in completing this study, and a special thanks to Mr. Nicole John Patag and Mr. Victor Recodo for their recommendations and support.

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