Valuing Social Housing
Acknowledgements

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Preface

The Sustainable Built Environment National Research Centre (SBEEnrc), the successor to Australia’s Cooperative Research Centre (CRC) for Construction Innovation, is committed to making a contribution to innovation across the Australian built environment industry. We are dedicated to working collaboratively with industry and government to develop and apply practical research outcomes that improve industry practice and enhance our nation’s competitiveness.

We encourage you to draw on the results of this applied research to deliver tangible outcomes for your operations. By working together, we can transform our industry through enhanced and sustainable business processes, environmental performance and productivity.

John V McCarthy AO
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The effective and appropriate provision of social housing as an integral part of the housing continuum, is increasingly difficult in light of current fiscal constraints, and changing and increasing housing need. In 2016, there were around 400,000 households living in social housing in Australia, with around 200,000 on social housing waiting lists. Achieving an economically and socially sustainable framework for the provision of social housing is vital. To meet this challenge, many innovative models are being explored in Australia and internationally, including partnerships and financing arrangements involving a mix of public, private and not-for-profit agencies.

Contextualising the need for better access to social housing is critical in addressing this demand for social housing. Given current fiscal limitations on governments across Australia, it is unlikely that significant funds will become available to address the considerable waiting lists. It is most likely that the provision of social housing by governments will thus continue to be targeted to those in most severe need, while addressing further avenues for those in need of more affordable housing.

Objectives
A key aim of this project is to build an evidence base which supports investment across both housing and non-housing outcomes. This evidence base, which aims to strengthen the policy environment for housing as an essential piece of social and economic infrastructure, should address:

- the return on investment from a broader economic, social and individual perspective.
- engaging with peoples’ life-stories and identifying how safe and secure housing changes the ability of people to engage in education and employment, resulting in improved productivity outcomes, the benefits of some of which may not be seen for five years, ten years and in the next generation.
- improving access to appropriate and useful data to inform decision making (requiring better use of existing data and better collection of more targeted data).

In addition to the set of outcomes and indicators developed in Rethinking Social Housing, this research project has developed the methodology for the final three elements of the Valuing Social Housing Strategic Evaluation Framework

- Attribution
- Data
- Return on investment

Valuing Social Housing has delivered:

- **Strategic Evaluation Framework** – methodology for building the evidence base for justifying further investment in social housing.
- **Domain Tables** – across nine domains including 53 outcomes and over 180 indicators: detailing over 60 academic references in support of the links between housing and non-housing outcomes; return on investment information across social return on investment (SROI), well-being valuation analysis (WVA) and life-stories; and details of over 40 relevant Australian datasets.
- **Data Summary Tables** – expanding on the information provided in the Domain Tables.
- **Composite Return on Investment (CROI)** – methodology for addressing the broad-based potential for ROI when building the case for investment; for example with state-based Treasury.
- **Summary of findings: data and social housing** – from a roundtable which brought together partner agencies and content experts to explore issues and opportunities for improving data access, gathering and application.

This research builds on that undertaken in the previous SBErc Project 1.31 Rethinking Social Housing. A central element of the approach established in that research is productivity for both the individual and for society more broadly. The research identified a broad range of housing and non-housing outcomes which can be attributed to having safe and stable housing; for example, improved resident well-being, better employment outcomes, stronger community ties and a sense of safety within a neighbourhood. This has benefits across stakeholders and agencies, from the tenant to the housing provider, and to all layers of government.


4 The nine domains established in the previous Rethinking Social Housing Project are: Community, Economy, Education, Employment, Environment, Health and Well-being, Housing, Social and Urban Amenity
The strategic evaluation framework is intended to provide greater evidence around the social benefits of providing safe and secure housing to those in need of assistance. It is intended to provide the basis for consolidating existing knowledge and building rigour around future policy making and delivery.

The draft framework was developed as an outcome of the Rethinking Social Housing project in which a review of Australian and international research was undertaken. UK, Canadian and US based research all contribute to project outcomes. The Good Places, Better Health initiative in Scotland provided good background in terms of process and outcomes.

The following flow chart identifies the steps proposed within the generic strategic evaluation framework to provide greater evidence of the social benefits of providing safe and secure housing to those in need of assistance. These steps were identified in the Rethinking Social Housing project, from a review of academic and industry literature, and through discussions with our project partners. An example of its application is provided later in this report.
## Implementing the Valuing Social Housing Strategic Evaluation Framework

### OUTCOMES AND INDICATORS

<table>
<thead>
<tr>
<th>WHAT</th>
<th>Select social benefit outcomes and indicators across the nine domains.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOW</td>
<td>Numerous sources exist, for example:</td>
</tr>
<tr>
<td></td>
<td>- SBEnrc Project 1.31 gathered over 180 indicators from multiple sources</td>
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<tr>
<td></td>
<td>- Australian, state and local government agencies along with private and not-for-profit providers will also have existing performance indicators</td>
</tr>
<tr>
<td></td>
<td>- Indicators from sources such as the National Social Housing Survey⁵</td>
</tr>
</tbody>
</table>

### IN AN IDEAL WORLD
A shared, online nation-wide set of outcomes and indicators, with examples of supporting data and documentation; accessible to all.

### ATTRIBUTION

<table>
<thead>
<tr>
<th>WHAT</th>
<th>(i) Confirm the link between the provision of safe and secure housing and what is being measured by the indicator; and (ii) establish percentage attribution for use in social return of investment (SROI) analysis.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOW</td>
<td>Construct causal webs from the evidence.</td>
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</tbody>
</table>

From credible academic and industry literature — if none available then below:

Via expert panel assessment — likely needed for establishing percentage attribution on a case by case basis.

### DATA

<table>
<thead>
<tr>
<th>WHAT</th>
<th>Identify what datasets are available to help establish baseline and the extent of impact.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOW</td>
<td>Accessible, timely, location specific and relevant data of appropriate granularity is required.</td>
</tr>
</tbody>
</table>

IN AN IDEAL WORLD Longitudinal surveys to track cohort improvement over time across the nine domains; timely, accessible and cost effective data National repository for linked data.

Linked data — Telethon Kids Institute⁶ example — bring together several sources of data related to the same individual, household, or location to enable tracking of impact over time.

Central on-line repository for geo-located data — AURIN⁷ example. Then use linked data to show performance to baseline.

Other — consider innovative opportunities for data gathering and sharing.

### RETURN ON INVESTMENT

<table>
<thead>
<tr>
<th>WHAT</th>
<th>Identify the broad social return on investment.</th>
</tr>
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<tbody>
<tr>
<td>HOW</td>
<td>Through a composite approach.</td>
</tr>
</tbody>
</table>

IN AN IDEAL WORLD National approach to track benefits and improvements in wellbeing across example cohorts in various locations. Enriched by individual narratives via written or digital stories.

Wellbeing valuation — satisfaction of preferences — OECD — broad approach for international benchmarking.

HACT UK⁸ — national measurement — improvement in individual wellbeing based on four national datasets looking at economic, social, health, crime and leisure data IPCC⁹.

SROI methodology — a ratio of impact to dollars input and/or an aggregated dollar return on investment for defined benefits to society which may accrue from the provision of social housing; engage consultant.

Value to the individual — Making narratives tangible. Accumulate and communicate via written and/or digital stories.

Value of equity to society — aggregate lifetime wellbeing from above — then determine overall value to society underpinned by distributive justice¹⁰.

### REPORT AND INFORM

<table>
<thead>
<tr>
<th>WHAT</th>
<th>Provide evidence base for policy and delivery.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOW</td>
<td>Integration into organisational decision-making reporting.</td>
</tr>
</tbody>
</table>

IN AN IDEAL WORLD Online reporting for nationwide comparison across the nine domains.

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⁶ http://www.telethonkids.org.au
⁷ http://aurin.org.au
⁸ http://hact.org.uk
⁹ http://ipcc.ch
Attributing Non-housing Outcomes to Good Social Housing

Building on the *Rethinking Social Housing* project, this research confirmed three steps in this process of attribution: (i) review the available literature; (ii) establish expert panel analysis to determine the percentage attribution where needed; and (iii) illustrate findings for transparency.

The aim of this element is to identify causal links or associations between having safe and secure housing (especially social housing) and other selected non-housing outcomes, across the nine domains presented in the *Final Research Report: Attachment A – Domain Tables*. This is important in understanding the impact of policy changes.

**Step 1 — Review of the literature**
A significant amount of Australian and international literature exists which identifies links between housing and non-housing outcomes. The *Final Research Report* provides evidence gathered to date across the nine domains.

**Step 2 — Expert Panel analysis**
Establishing an expert panel of practitioners and researchers is recommended: (i) where a specific link has not been discovered in the literature; (ii) where the difference in context is significant enough to warrant further consideration; or (iii) where the percentage attribution is required to establish the social return on investment (for example). The *percentage attribution*, that is, ‘the amount of the outcome that can be uniquely attributed to the designated program or activity’ can also be determined by this expert panel. The Scottish Government’s Good Places Better Health model is recommended as a guide.

**Step 3 — Consolidate findings**
Two visualisation methods are proposed for consolidating outcomes from this process: (i) *causal webs* as used by NSW Families and Community Services Outcomes Framework, and in Canada Mortgage and Housing Corporation’s research Measuring the Social, Economic and Environmental Outcomes of Good Housing; and (ii) the Scottish Government’s globe of responsibilities – which can be used to identify and communicate with those with key responsibilities and with whom consultation needs to occur to deliver outcomes.

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Causal Web: visualising links between housing and non-housing outcomes—reproduced with permission from New South Wales Families and Community Services. ¹⁶

Globe of responsibility: visualising links between housing and non-housing outcomes — Good Places Better Health17— creating positive health nurturing environments through shared outcomes, knowledge and action.

Data

A data and social housing virtual roundtable was held to discuss how data can be better used to provide an evidence-based approach to social housing provision. This roundtable asked project partners to discuss issues and challenges for data gathering to inform social housing policy and delivery issues; and then asked a group of other participants with expertise in data to present opportunities for taking advantage of new data pathways18.

Some key issues:
• Privacy is paramount
• What do we want to know; why do we want to know it; how will we use it; who is the recipient of the data; and what is the benefit?
• Cost of: data collection, linked data and maintenance
• State of the support systems
• Time frames: collection, currency and linkage
• Responsibility of holding and managing linked data
• Higher level, freely available open data exists, which can be accessed and used
• Changing need for data
• Context specific data required
• Distinction between research data (policy development) and operational data (client management)
• Fitness for purpose
• Data consent versus transparency of use
• A minimum commitment of ten years is required to see results for some data sets

Some key opportunities
• Evidence is required to illustrate the inputs-outputs-outcomes cycle of social housing to demonstrate what social housing investment delivers.
• There is a need for more holistic outcomes; in some cases it is individual and in some cases precinct-based (e.g. future growth).
• Linked data (i.e. linking people) allows for longitudinal analysis of individuals to articulate impact of housing with data analysis looking at the outcome before housing, outcome in housing and outcome after housing.
• Hierarchy of data within a national framework, that is, a high level framework with flexibility over time and across jurisdictions so that is can be used by state and local governments for specific purposes. Coupled with a nation-wide forum for developing a consistent, efficient and effective data environment to inform policy making and delivery, and with a national network of interested agencies to facilitate an efficient development and learning pathway.
• Geographic information systems (GIS) offer opportunities for the spatial analysis of areas to support linked data. This provides additional depth to complement typical linked data related to contact with agencies.
• Exploring machine learning, to measure data in situ (e.g. big data), especially for the collection of missing or under-measured indicators.

A summary of available national and state-based datasets which align with the nine domains is contained in the Final Research Report19.

18 Representatives from Telethon Kids Institute, the Australian University Research Infrastructure Network (AURIN) and Griffith University’s eResearch Services.
Composite Approach to Return on Investment (CROI)

This composite approach has been developed to provide a more robust methodology for valuing the return on investment of providing social housing.

Why a composite approach? It is proposed that a single method does not capture the complex nature of the value returned to society and the individual of having access to safe and secure housing. Four elements are proposed to address this complexity. These could be used in parallel to understand and articulate the broad value of the provision of appropriate social housing.

This composite approach also embraces the productivity-based conceptual framework developed in our *Rethinking Social Housing* research, where four aspects of productive return are considered: individual; macroeconomic; fiscal; and non-financial.

**Sub-element 1 – Social Return on Investment (SROI)** This is used to provide a ratio of impact to dollars input and/or an aggregated dollar return on investment for defined benefits to society which may accrue from the provision of social housing. This is determined through: identifying key outcomes, indicators and impacts; establishing financial proxies for these; and determining a dollar value for this benefit.

**Sub-element 2 – Wellbeing valuation**

The OECD have been developing an approach to measuring wellbeing for several years. In the UK, a wellbeing valuation analysis method has been developed for community housing associations to measure the impact of their investment in terms of well-being. This method addresses the impact on an average person’s well-being of the broader non-housing benefits of access to safe and secure housing, and placing a dollar value on these.

**Sub-element 3 – Value to the individual**

Individual narratives can be used to understand the value to the individual of both the housing and non-housing benefits of safe and secure housing. The value a person places on a given amenity such as a home (or a job) varies dependent on their life situation.

**Sub-element 4 – Value of equity**

Comparing, understanding and aggregating the value different people place on such social infrastructure can lead to understanding the broader value to society of providing more equitable access to such resources. Published work by the Intergovernmental Panel on Climate Change provides the grounding for future research on this third element20. Additionally, the OECD report, All on Board, explores this further21.

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### SUB-ELEMENT 1

**Social Return on Investment**

<table>
<thead>
<tr>
<th>Input</th>
<th>Dollars invested into social housing provisions as a program.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>Measure of broader benefits accrued to society as ratio of outcome to input or aggregated value.</td>
</tr>
</tbody>
</table>

- **Return on investment to investor** — through establishing theory of change, identifying indicators; financial proxies; dollar values; apply sensitivity analysis and aggregate.
- **Key productivity focus** — macro economics and fiscal.

### SUB-ELEMENT 2

**Wellbeing valuation**

<table>
<thead>
<tr>
<th>Input</th>
<th>Dollars invested into social housing delivery.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>Headline wellbeing values of broader benefits x number of people impacted = social benefit.</td>
</tr>
</tbody>
</table>

- **Improvement in well-being** — life satisfaction — values derived from national databases for people that resemble those in which investment is made.
- **Key productivity focus** — macro economic and fiscal.

### SUB-ELEMENT 3

**Value to the individual**

<table>
<thead>
<tr>
<th>Input</th>
<th>Dollars invested into provision of social housing for an individual.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>Accounting for value in the individual context.</td>
</tr>
</tbody>
</table>

- **Impact on individual** — how a person’s life changed as a result of social housing (type, scale and depth of impact) — determined through narratives.
- **Key productivity focus** — individual and non-economic.

### SUB-ELEMENT 4

**Value of equity**

<table>
<thead>
<tr>
<th>Input</th>
<th>Dollars invested into provision of social housing for a society.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>Value to society of equitable distribution of resources.</td>
</tr>
</tbody>
</table>

- **Impact on society** — a given total of wellbeing is more valuable the more evenly it is distributed.
- **Key productivity focus** — social capital.
Strategic Evaluation Framework – Illustrative Example

This example looks specifically at the domain of education in which ‘increased participation’ is one possible outcome of housing access to safe and secure housing

- **Domain:** Education
- **Outcome:** Increased participation
- **Indicator:** Participation in adult learning courses

**Attribution:**
- ‘Feel more able to start or continue education/training – perceived tenant benefit’\(^{22}\); ‘There are strong associations between formal educational attainment (particularly Year 12), parental educational attainment and measures of health literacy’\(^{23}\); ‘The women linked their ability to further their education with the increased stability found in their lives after moving on from their old circumstances and into new housing’\(^{24}\).

**Datasets, for example:**
- AURIN, Public Health Information Development Unit: SD Learning or Earning (15-19 year olds).
- AIHW, Measure 2.06 Educational attainment and participation of adults\(^{25}\).

**Return on Investment, for example:**

**Sub-element 1 – Social Return on Investment (SROI)**
- Kliger, et al.\(^{24}\) find a return of AUD 102,473 for an increase in education/training for the 17 women involved over 20 yrs. (Increase in stakeholders completed/completing TAFE/other course).

**Sub-element 2 – Wellbeing Valuation Analysis (values are per person per year)**
- Trotter, et al.\(^{27}\) find a value of UK£1,773 for access to general training for a job; UK£1,124 for access to vocational training; UK£9,447 for access to a government training scheme; UK£1,747 for access to apprenticeships; and UK£807 for access to employment training\(^{27}\).

**Sub-element 3 – Value to individual**
- ‘Ann now proudly shares that she has just completed the Ceramics component of the Certificate III in Visual Arts at Queensland TAFE Brisbane Southbank Campus and is one of the key artists and tenant co-facilitators engaged in creating the Cross-link Mosaic Sculpture which will grace Brisbane Common Ground’s public thoroughfare that links Hope Street and Fleet Lane’\(^{29}\).

**Sub-element 4 – Value of equity**
- Subject to further research.


\(^{23}\) AIHW (2015). Aboriginal and Torres Strait Islander Health Performance Framework: Online data tables. Canberra, Australia.


Moving Forward

Future areas for research identified in this project include:

- a long term pilot of the strategic evaluation framework
- developing a wellbeing valuation database to inform the Composite Return on Investment (CROI) approach, similar to that developed by HACT UK
- further investigation of the value of the equity element of the CROI
- investigating options for building a stronger national approach to strengthening the case for social and affordable housing in Australia as critical social and economic infrastructure.

Other future opportunities include: new SBEnrc project, 1.54 Procuring Social and Affordable Housing (2017-18); and an Australian Research Council (ARC) Linkage bid, An Integrated Model for a Sustainable Social Housing System.
This research would not have been possible without the ongoing support of our core industry, government and research partners:

These organisations have provided financial support for the research undertaken by the Sustainable Built Environment National Research Centre and by providing feedback and advice regarding the research outcomes and final dissemination strategy.

Find out more:
- Project webpage (including link to YouTube video) http://www.sbenrc.com.au/research-programs/1-41-valuing-social-housing/
- Twitter – Rethinksocialhousing@DrJAKraatz

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