

Our current research project, *Valuing Social Housing*<sup>1</sup>, funded through the Sustainable Built Environment National Research Centre<sup>2</sup> is aiming to identify and count the broader benefits and value of social housing. An overview of this research is provided here for your consideration as a part of your considerations in developing a 10 year *Housing Strategy* for Queensland.

This can particularly inform the following questions raised in the discussion paper:

*Q3. How can we maximise the contribution of housing to social and economic development and environmental outcomes in Queensland? What are the key issues we need to work on together?*

The provision of safe and secure housing enables people to better engage in employment, education and the community, and influences health and well-being. Through being better able to demonstrate these outcomes and impacts, investment can be better supported and targeted.

*Q16. How can government support innovation in the development of mechanisms that increase the finance, resources and investment available for homelessness and housing assistance?*

Through an enhanced understanding the social impacts of investment in social housing, the Department would be better able to justify this investment in social infrastructure, in a way that investment in economic infrastructure is supported by commonwealth, state and local government investment.

In this research we bring a particular focus on determining the productivity benefits to individuals and the community from the provision of safe and secure housing. This starts by mapping all the various benefits to tenants, to the broader economy, to governments through extra revenues, and to the environment and community through, for example, improved social capital.

In the past social housing provision has been seen as an ethical issue - it's the right thing to provide as much as possible according to need. But can we not be ethical and show the productivity advantages at the same time.

A *Strategic Evaluation Framework* is being developed through our research responding to government and industry needs and requirements. The long term goal is to have a national set of outcomes and indicators from which to measure the broader impact and benefits of social housing and, by so doing, substantiate the case for continued investment in line with need.

A key challenge for the previous stage of this research, our *Rethinking Social Housing* project<sup>3</sup>, was to find indicators, for example, community engagement, hospital visits, criminal activity, educational achievement, unemployment, anti-social behaviour, urban amenity and so on, at a household or individual level, and then relate these to access to safe and secure housing. And ask the question, does the lack of housing contribute to these and by how much?

Our aim is to provide a broad-based rationale for social housing investment and assist governments to evaluate various forms of housing assistance. For many people providing more social housing is obvious; but this research aims to show why it's good for individual, the community and national productivity.

This is a collaborative project with university, government and industry stakeholders contributing to framing the project and its strategic intent and deliverables. Key government partners are the

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<sup>1</sup> <http://www.sbenrc.com.au/research-programs/1-41-valuing-social-housing/>

<sup>2</sup> <http://www.sbenrc.com.au/>

<sup>3</sup> <http://www.sbenrc.com.au/research-programs/1-31-rethinking-social-housing-effective-efficient-equitable-e3/>

Western Australian Housing Authority, the Qld Department of Housing and Public Works, and the New South Wales Lands and Housing Corporation. In addition the National Affordable Housing Consortium is a key project partner. Both Griffith and Curtin Universities are working together to deliver project outcomes.

A key question which we are asking is how to better demonstrate the benefits and return on investment to society of providing safe and secure housing for all, through various social housing mechanisms. This is on the basis that housing is critical social infrastructure which provides benefits to society, rather than the now all too prevalent view that it is a cost to society.

### Our conceptual framework

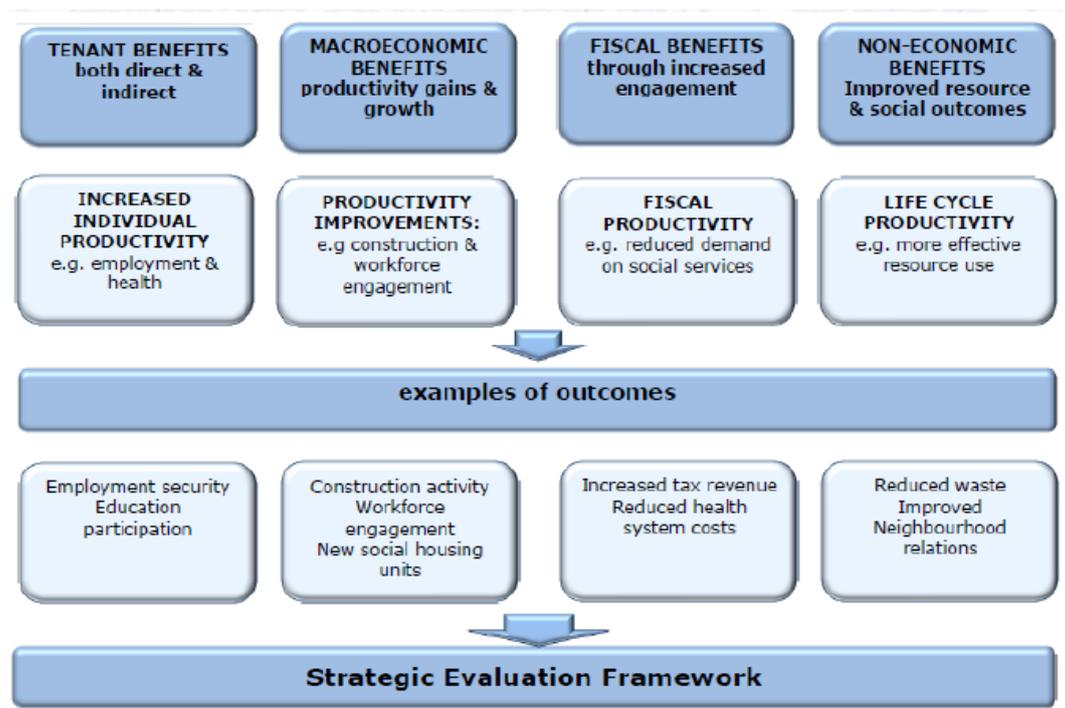
Our research is also grounded in a conceptual framework developed early in the rethinking social housing project. The need to better articulate the benefits of social housing is being considered from a productivity focus across 4 themes:

Firstly, the benefits to individuals and families of having a safe and secure home from which they can better engage in education, employment and the community. This can lead to outcomes such as greater workforce participation and improved personal financial security.

Secondly, macroeconomic benefits can lead to productivity improvements through greater workforce engagement and increased institutional investment in social housing and increased housing construction

Thirdly, the fiscal benefits of improved engagement may lead to a stronger revenue base and less reliance on the broader support mechanisms often required by those with insecure housing.

And finally the non-economic benefits of more resource efficient housing and stronger social capital can lead to improved outcomes such as better neighbourhood relationships and reduced waste.



The challenge which exists however is how to demonstrate these benefits in a defensible way to the community and government.

Elements of the Strategic Evaluation Framework

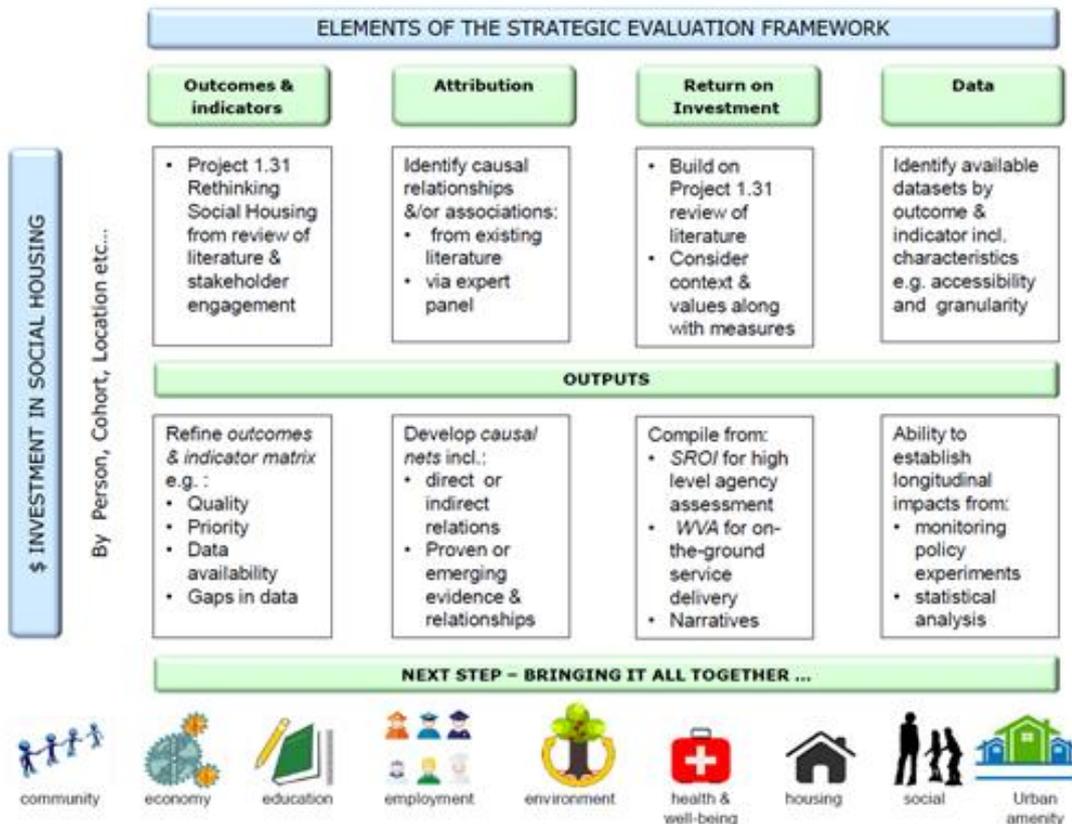
There are 4 key elements in the development of our strategic evaluation framework, which we are aiming to integrate with currently evolving performance and outcomes-based delivery systems across Australia. These elements are:

Firstly, the set of broad based housing and non-housing outcomes and indicators across the 9 domains of: community, education, economy, employment, environment, health and well-being, housing, social engagement and urban amenity. These were identified from a broad-ranging review of literature and discussions with our partners. From an extensive list of over 150 indicators discrete sets can be identified for various cohorts in different locations across Australia.

Secondly, identifying the causal links or associations between outcomes and indicators so that links between safe and secure housing and better educational outcomes, for example, can be supported with evidence, and used as the basis for policy making, program delivery and budget allocations

The third element is identifying the broad return on investment for a government or not-for-profit agency in providing this housing – for example greater engagement in education leading to better employment outcomes. Identifying this return, and to whom it flows challenges current segmentation and increased expenditure in housing may provide benefits to other departments’ bottom lines over time.

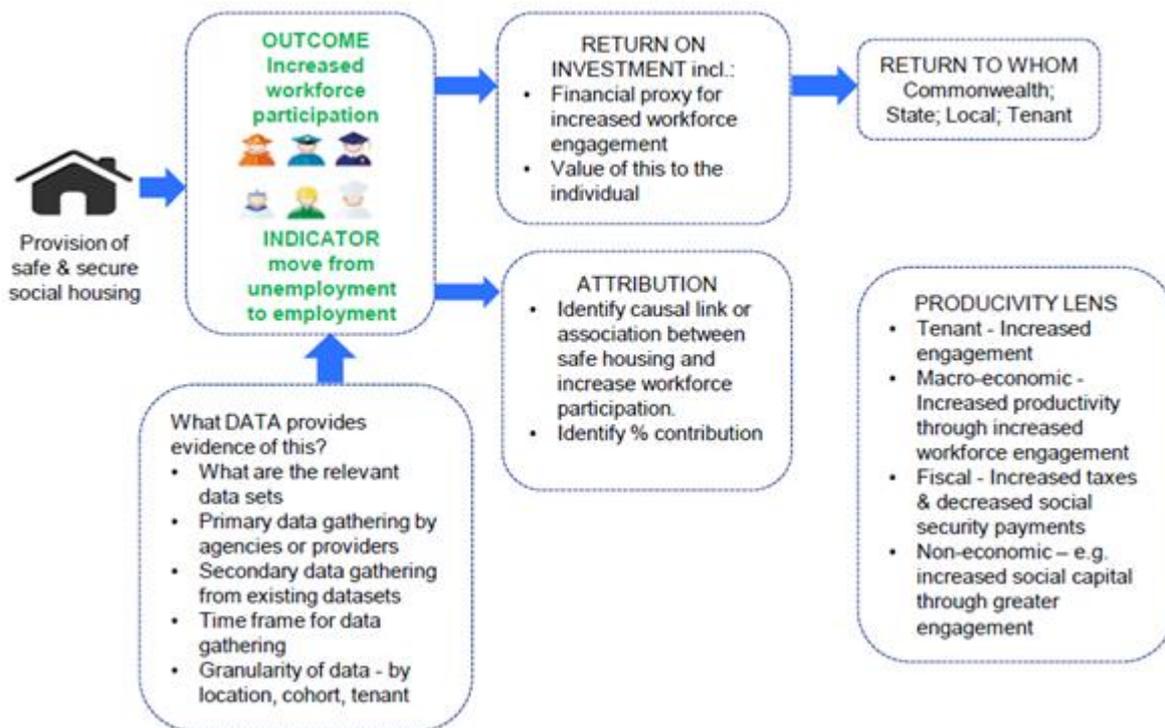
And finally, understanding the data that is available and which can be shared across departments and agencies to provide evidence of improvement, impact and value. This could be done through statistical analysis of past and future trends aligned with policy changes.



Exploring these 4 areas is revealing as many gaps as it is providing knowledge for policy making. Hence, what is being particularly targeted in this research is the development of strong methodology to inform future decision making.

A key challenge currently being explored is how to bring all this together in a coherent and accessible manner. This slide provides the example of an increased workforce participation outcome, the indicator being a move from unemployment to employment. This would require consideration of a range of issues including:

- To what extent, if any, a move into social housing facilitated this, that is, through attribution identifying causal links or associations
- The return on investment of this change, including identifying to whom this return flows. For example the housing may have been provided by the state government, but additional taxes flow to the commonwealth government
- What data is available to provide evidence of this change and its benefits or dis-benefits over time, and for a given location and cohort
- And what is the array of productivity benefits that potentially flow from this - it is not just taxes to the commonwealth, but also includes enhanced productivity and contribution to GDP, and benefits to other family members and the local community.



### Attribution

In terms of attributing outcomes to indicators a long history of method development has occurred in the environmental science and health arena which we consider can provide the methodological backbone for determining the degree of attribution between non-housing outcomes to housing provision.

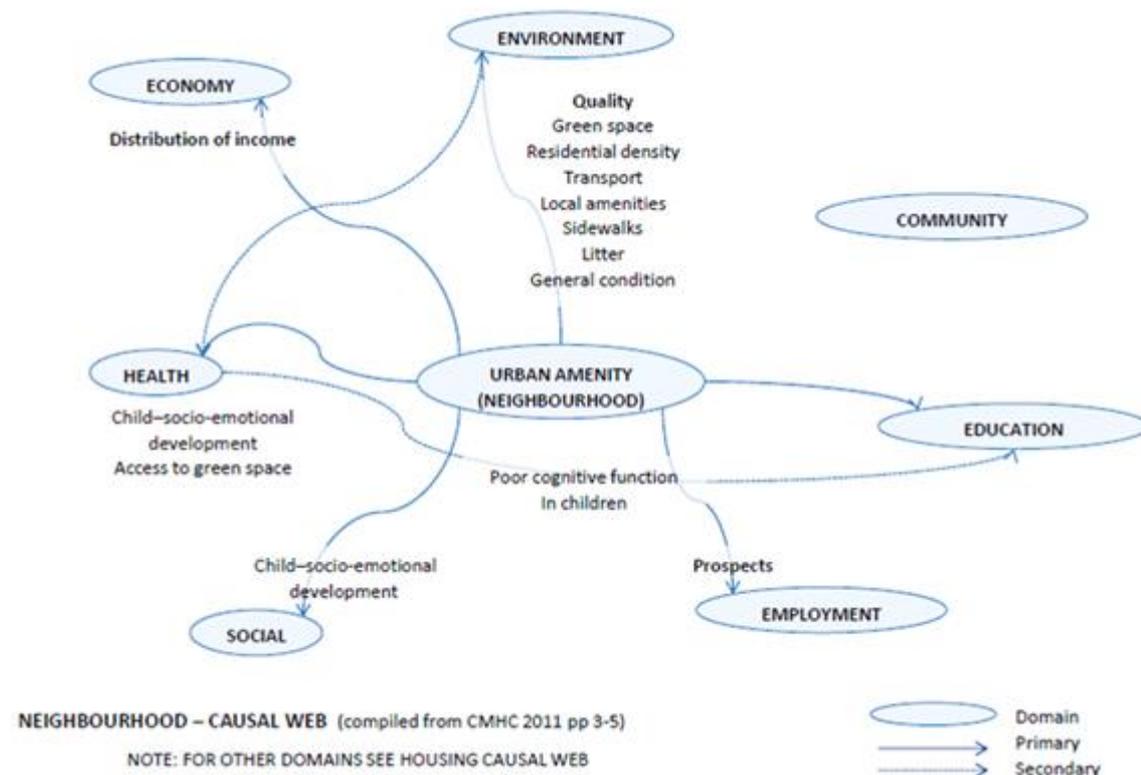
Two key bodies of knowledge are being referenced in this research to build an approach to attribution:

- The Canada Mortgage and Housing Corporation research into societal outcomes of housing (Canada Mortgage and Housing Corporation (CMHC), 2010; Canada Mortgage and Housing Corporation (CMHC), 2011), and

- The Scottish Government’s Good Places, Better Health program (The Scottish Government, 2008;The Scottish Government, 2011a;The Scottish Government, 2014;The Scottish Government, 2014)

The Canada Mortgage and Housing Corporation identify five non-shelter outcomes areas being health, education, environment, social activity and economics. They use *causal webs* for illustrating the often complex and two-way connection housing and non-housing outcomes, with the identification of links being through building of *housing results chains* as a way of measuring the effectiveness of a housing policy outputs and outcomes. They note that the attribution problem is endemic as improvements and/or changes in outcomes can be influenced by other factors. They also note that attributing downstream and longer term outcomes to changes in housing are most likely not feasible and because of this the focus should be on immediate short-term outcomes.

The following diagram is an example of a causal web of neighbourhood links compiled from references in their 2011 report *Measuring the Social, Economic, and Environmental Outcomes of Good Housing*.



The Scottish government’s Good Places Better Health program builds on the understanding that physical environments lead to psychological and physiological changes that can impact mental health and well-being, physical health, and social relationships and activities. Exposure to the environment can either be through direct contact or from a distance, for example, visiting a park or viewing a park from your window, or about the quality of your own home or those in your neighbourhood.

This program builds its methodology on a modified DPSEEA framework as developed for the World Health Organisation in the 1990’s. This brings a focus onto *driving forces*, whether social, economic or political, which influence the environment; *pressures* which result from changes in environment; the *resultant state*; *exposure*; the *effects* on the individual; *actions* taken to address these factors;

and the specific *individual context*. Using this process the Scottish Government have produced a series of mind maps and models, developed in conjunction with community and industry stakeholders, detailing the relationship between selected health outcomes, the physical environment, and other factors impacting on this relationship. The Scottish government provides workbooks on how to build mind maps and translate these into useable outcomes.

One of our next steps is to compile such causal webs for key indicators and outcomes, based on details gained from a review of literature, and then tested with an expert panel. This panel would be asked, based on their expertise and knowledge, to consider if an association exists, their level of confidence, and the quality of evidence which supports this view. The level of agreement would then be identified. The next step would be to consider the percentage attribution to each outcome.

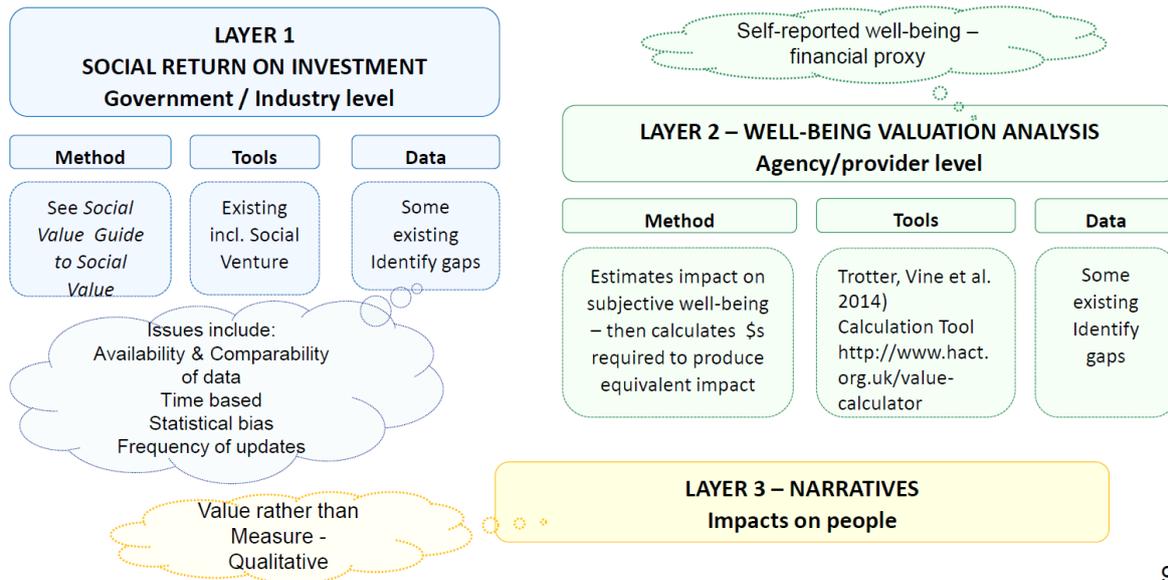
#### Exploring return on investment

We have also investigated what methods exist to establish return on investment beyond the strict financial. Several methods were reviewed of which we are considering two in detail, with the potential to use them in a layered approach to better articulate benefits. These being: social return on investment and well-being valuation analysis, both developed and implemented in the UK in the past decade.

The SROI methodology (The SROI Network (now Social Value UK), 2012) is also being used in Australia at a departmental or agency level. This method aims to calculate the \$ value of social impact compared to cost of benefits. Once the scope of the assessment is determined, an impact map is established identifying relationships between inputs, outputs and outcomes. Data is then gathered to show whether outcomes have happened. Changes that would have happened anyway or are a result of other factors are then eliminated from consideration and the SROI financial proxy is calculated, by summing the benefits, subtracting negatives and comparing the result to the investment. Sensitivity analyses are also conducted at this stage.

Evolving only recently, the Well-Being Valuation Analysis approach (Trotter et al., 2014) draws upon both the SROI method and traditional cost benefit analysis. Developed specifically for measuring the social value of housing associations in the UK, the method emerged in response to the perceived lack of appropriate tools for quantifying social value on a sector-wide scale. This approach can help demonstrate the benefits as perceived by the individuals involved through assessing self-reported well-being. Essentially, the approach estimates the impact of a good or service on people's subjective well-being, and then uses these estimates to calculate the exact amount of money that would produce the equivalent impact.

Whilst the need for establishing financial proxies is essential for demonstrating return on investment for strategic and budgetary purpose, the limitations of quantitative methods alone needs to be considered. Emerging research reveals concerns regarding the ability of such methods in isolation to fully account for broader social benefits. Using a combination of information from diverse sources, including qualitative case studies and surveys to in effect triangulate impact, is also being considered.



9

In a social context, the concept of value also needs to be considered in its many dimensions beyond the financial to the moral and the ethical. For example, the *value* of a home or a local park to different individuals, depending on their life experience and position, will vary and thus appreciating this further dimension of impact is necessary. McCreless and Trelstad from Root Capital<sup>4</sup> note the need to better understand the nature of the impact on each person; the scale of impact, that is, the number of people affected; and the depth of impact or the intensity of change experienced (McCreless, 2012). And thus we add the third layer, of appreciating individual narratives, to further build an understanding of the broader benefits of safe and secure housing.

### Data

Key questions to be addressed in terms of the data element of the framework include: (i) what data is available to inform the framework; (ii) what the data tells us about housing impacts on non-housing outcomes – whether historic, current and future; (iii) what data gaps exist; and (iv) what avenues are there to fill these gaps and credibility of doing so - time, costs, ethics and the like.

A literature review is being undertaken of comparable studies to understand what types of data have been drawn upon to measure similar indicators. In addition, interrogation of existing data repositories will occur to identify relevant datasets and a stakeholder workshop will be held to consider data suitability against the research question, the nine domains and partner organisation needs and capabilities. Our government and industry partners will be asked to review and assist with the collation of appropriate datasets, which will lead to the identification of gaps in this data.

Datasets will be required across a broad range of fields. For example for the compilation of the Social Value Bank in the UK<sup>5</sup>, to enable community housing associations to undertake Well-Being Valuation Analysis previously mentioned, four key datasets were used:

- British Household Panel Survey – with a focus on social and economic changes in individuals and households which has been gathering data since 1991
- Understanding Society – a UK based longitudinal study of 40,000 households

<sup>4</sup> <https://www.rootcapital.org/>

<sup>5</sup> <http://www.hact.org.uk/social-value-bank>

- Crime Survey for England and Wales – ‘used by the Government to evaluate and develop crime reduction policies as well as providing vital information about the changing levels of crime over the last 30 years’
- and the Taking Part survey – ‘collects data on many aspects of leisure, culture and sport in England, as well as an in-depth range of socio-demographic information on respondents’

#### Framework development

We are currently working with our industry partners on two case studies to further development and implement this emerging strategic evaluation framework:

- The data sharing case study being led by Giles Thomson at Curtin University is exploring the data element of the framework in more detail, and looking at what data is available and how it can potentially be shared across traditional boundaries: to provide evidence of impact more broadly; and to demonstrate gaps which may need to be addressed to provide stronger evidence of improvement. This is being undertaken this year with the Western Australian Housing Authority and Access Housing.
- The framework integration case study, being led by Judy Kraatz at Griffith is examining the attribution and return on investment elements of the framework in more detail, and exploring how this approach can be integrated with departmental performance and outcomes based approaches. Our partners in this case study include the Queensland Department of Housing and Public Works, the NSW Land and Housing Corporation and the National Affordable Housing Consortium.

Through all this, our ultimate aim is to provide greater evidence to demonstrate the benefits of providing safe and secure housing through the mechanism of social housing, and to inform policy and decision-making in this critical area.

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