Is It Possible to Measure the Value of Social Housing?

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Executive Summary

This report has two purposes. The first is to provide an overview of existing research on the economic value of social housing. The second purpose is to outline the data and research strategies that could be used to cast new light on the household, community and wider social and economic value of social housing in Ontario and the rest of Canada. Although we commonly understand the value of being housed, the growing need for sound evidence is unmet. Two overarching conclusions from this review emerged:

- Published research is thin, evidence can be equivocal if not pointing to economic costs (rather than benefits), and planners, policy-makers and the public (advocates, non-governmental and civil society organizations) have little to draw upon to understand the value of social housing programs.

- This state of affairs is especially true in Canada because of a dearth of a common set of indicators – measurable variables or characteristics that provide an indication of a condition or direction – that in turn limit sound evidence-based decision-making. There is little literature in Canada that formally analyzes, under any evaluative system, the economic value or costs of social housing whether at the household, local community or macro-economic levels.

Despite the lack of research, the question of the value of social housing is important because we – the provinces and Canada as a whole – need to:

- Develop a more sophisticated understanding of the value of social housing, including shoring up our existing knowledge and understanding the resources, needs and gaps that exist for answering this question;

- Aid in developing a base set of resources for understanding the value of social housing in Ontario;

- Explore the questions that arise when trying to understand the value of social housing; and

- Consider next steps in the study of the impact of social housing on households, local communities and the wider economy.

The report concludes with recommendations for the development of a common set of indicators and applied research. The recommendations include:

- Setting priorities – representative key stakeholders should gather in order to plan data development and research strategies for the sector.

- Forming strategic partnerships – alongside priority setting, research partnerships between stakeholders, data providers, sponsoring organizations and communities should be developed.

- Identifying and developing resources – with an eye to both short- and long-term goals, resource development could begin by cataloguing social surveys, administrative data and special purpose data resources that speak to the priority themes identified above.

- Undertaking applied research that incorporates targeted dissemination strategies to key stakeholders and research users.

Although the resources for mounting the development of a common set of indicators are significant, they are very small relative to spending on social housing, and the "pay-back" is vital to both understanding the organization and operation of social housing in Ontario and Canada and to policy development and programming itself.

Is It Possible to Measure the Value of Social Housing?

Housing fits into the middle of everything. It is physical design, it is community development, it is social development, it is important to health and educational outcomes, it can be a poverty reduction tool, and it is an investment, a wealth creator and a generator of economic development. It is both an individual and public good.

– D. Myers

1. Introduction

In his story of "Million-Dollar Murray," Malcolm Gladwell (2006) reinforced and further popularized our common understanding of the importance of housing, including social housing. Although the story is of a homeless man – the homeless being an important but only one segment of the broad clientele of social housing – Murray's experience is a common lament: his persistent cycling through a range of social services necessitates public spending that mounts every day. At the same time, his presence on the streets is a reminder of the despair and dislocation that goes with not being home-*ful*. For Murray himself, the experience is one of severe psychosocial stress, loss of identity and material deprivation. Like Gladwell, we ask whether housing provision would not only ease the social and emotional burden but also perhaps reduce the load on non-housing services. Housing assistance, in any number of forms, can ostensibly build a sense of rootedness and provide emotional and social security, but might it not also reduce net social spending?

The popular answer to the above question, like the epigraph, may well be "yes" because we share a common understanding of the value of being housed. As Mueller and Tighe (2007) argue in their review of the health and educational impacts of housing, it was not long ago that the benefits of social housing were understood not only for the client but also for the entire community. Planning as a profession was founded in part on the urban reform and hygiene movements. This carried through successive movements concerned with the social and physical well-being of communities and gave rise to the first utopian public housing projects in North America (Hall, 1988). Yet there are two issues that stand in the way of a more concrete answer to our question at present. First, the "public good" rationale has changed over the course of recent decades as concern over the quality of housing and community has given way to stigma and rising cost. Under ever-tightening public accounts and shifting priorities, the case for social housing has had to be made less on intuition and more on evidence. This is overlaid by the ways in which some public housing has become stigmatized and in many cases rightly turned the public cynical about the visual and social benefits of housing assistance (Spence, 1993; Massey and Denton, 1993). Second, and paradoxically, although we commonly understand the value of being housed, the growing need for sound evidence is unmet. Published research is thin, evidence can be equivocal if not pointing to economic costs (rather than benefits), and planners, policy-makers and the public (advocates, non-governmental and civil society organizations) have little to draw upon to make supportable arguments for housing assistance.

This state of affairs is especially true of the Canadian research landscape and of social housing – the foci of this project – given the small number of studies that permit a realistic answer to some dimension of the question; scant literature in turn reflects a dearth of data infrastructure that does not permit sound evidence-based answers. Despite the lack of research, the question is important because we – in Ontario and in Canada – need to:

- Develop a more sophisticated understanding of the value of social housing, including shoring up our existing knowledge and understanding the resources, needs and gaps that exist for answering this question;

- Aid in developing a base set of resources for understanding the value of social housing in Ontario;

- Explore the questions that arise when trying to understand the value of social housing; and

- Consider next steps in the study of the impact of social housing on households, local communities and the wider economy.

Accordingly, the purposes of this paper are, first, to provide an overview of the existing research on the economic value of social housing and, second, to outline data and research strategies that could be used to cast new light on the household, community and wider economic value of social housing.[1]

Before turning to these tasks, however, there is an important touchstone in the discourse on the value of social housing. Like other jurisdictions, Ontario and Canada have long-standing (if inconsistent) social housing programs that grow out of a spirit of social welfare. No matter what one makes of this review's findings and recommendations, it is important to avoid judging the value of social housing strictly on the basis of "bottom-line" measured outcomes, including – some might say, especially – when those measured outcomes identify "costs" or poor non-housing returns on investment. Social housing serves a clientele who are otherwise challenged to find affordable, adequate and suitable shelter. It is a fundamental component of our physical and social infrastructure and, for clients, a need, if they are to be part of our social architecture. Social housing and service providers are too often trapped in a battle to prove the worth of their work rather than proceeding on a sure footing, as we do with other elements of infrastructure, by assuming that housing support (in whatever form we collectively agree to deliver) is there for those who need it. Recognizing that there will always be some segment of society in need of housing support, the discourse could then move beyond defending the need for social housing programs to matters of improving provision for households, local communities and the wider economy. This review is aimed at how we might do just that from the point of view of existing research and data and resource needs.

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[1] Similar projects, though with slightly different questions, are underway at SHS Consulting (Ed Starr) and The Conference Board of Canada (Diana Mackay). Canada Mortgage and Housing Corporation (CMHC) has also commissioned similar studies that are ongoing.

2. What the Literature Says about the Economic Value of Social Housing

2.1 Concepts and Definitions

In *Housing Is Good Social Policy*, Carter and Polevychok (2004) argue that housing in Canada should move past its public policy "orphan" status. This can happen if we raise understanding of the importance of housing to household socio-economic status as well as non-housing policy domains, including health, education, immigration, income security and employment, and economic development. Given these intersecting policy domains, Carter and Polevychok (2004) argue for greater policy integration. In fact Canada has long-standing experience with repeated calls for a national housing policy and, with respect to social housing, recognition that its policy status may reflect misunderstanding in its status amid federal-provincial relations (Dennis and Fish, 1972; Banting, 1990; Bacher, 1993; Hulchanski and Shapcott, 2004; Maclennan, 2008a, 2008b). To some extent, our ignorance of the true housing landscape may both reflect and further stall the development of housing policy or strategy.[2]

In this context, a first important step is to define what we mean by *social housing*. For the purposes of this report we include, first, project- or dwelling-based subsidized housing that is either public or private (that is to say, third sector, as in the case of private non-profit and co-operative housing). This can be entirely rent-geared-to-income (RGI) housing, as in the early post-World War II public housing schemes, or in income-mixed projects of more recent decades. Though these distinctions are important for understanding what the literature has to say, we necessarily cast a wide net given that the literature is thin. Alternative forms of housing assistance can have different outcomes. The term *affordable housing*, though technically distinct because it may not include any form of subsidy, is also included because researchers often use the term interchangeably with *social housing*. We also include housing assistance to the household rather than dwelling-based subsidies. Common examples here are the Rent Supplement as well as the Housing Benefit or Housing Voucher systems in the United Kingdom or United States. It is worth noting in this context that there is ongoing debate about the trade-offs, and roles, of housing-based or broader income-based assistance (as there is about direct provision versus demand-side assistance). We do not engage in these debates here and include housing-based assistance programs as part of the literature that was searched and synthesized. For our purposes, we emphasize that we include these in literature searches on the value of social housing. Again, as we synthesize the literature, we highlight these distinctions. Finally, we include the many small but important components of the subsidized housing sector that provide supportive services in addition to dwellings and/or income support, such as those serving residents with mental illness. As we shall see in our review, this diversity makes any broad assessment of the value of social housing difficult except perhaps in very specific circumstances, but it is necessary because the literature coverage is incomplete. This may well mean that policy development and, even more remotely, integration, as Carter and Polevychok (2004) argue for, is further down the road.

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[2] Indeed, national accounts of spending on social housing are marked by undercounting of the full stock of social housing due to exclusions of projects/dwellings on the basis of cost-sharing thresholds with the provinces. Refer to CMHC's *CHS-Public Funds and National Housing Act (Social Housing)*.

A second important issue to define is the scope of this project. As alluded to above, the focus for both the literature research, as outlined below, and synthesis here is on the economic value of social housing to:

1. Individual residents/households, both as it benefits them and may in turn return benefits to the wider community;

2. The local neighbourhood or community, again as social housing may create net benefits and costs at this scale; and

3. The wider economy, primarily because social housing may generate net benefits (or indeed costs) in non-housing public/social spending.

This project does not focus on two economic dimensions of social housing, one often considered as important "up front" in provision and the other, less direct. The first is social housing's (like construction in general) construction spin-offs. While capital outlays are indeed benefits, typically measured in terms of economic and labour market multipliers (e.g. AOCDO, 2003), our concern is with the ongoing and longer-term benefits (costs) of social housing. Indeed, some argue that the long-term costs and benefits grow increasingly more important, not least if we properly discount assets over time (see Patterson et al., 2008; McClure, 1998). The second relates to the publicly owned assets (land and dwellings) contained in social housing once built. State sale of social housing stock brings this issue to the fore as does mounting maintenance or upkeep over time, though, like construction, these issues lie beyond the scope of the current paper. The table below summarizes the scope of work defined here. The most obvious and direct (and indeed measurable) element of the benefits of social housing are the shelter (housing, such as increased affordability, dwelling quality) outcomes rather than non-shelter outcomes (see Figure 1). This is most directly reported in "before and after" studies of rehousing schemes in the United Kingdom and United States, as discussed in detail below.

Table 1. Example Issues of Long-Term Economic Benefits/Costs of Social Housing

Level/Scale	Sample Types of Benefits/Costs			
	Health	Education	Development	Labour Force
1. Individual resident/ household	Physical and/or mental health	Test scores, school completion	Family rootedness, human capital development	Participation, skills development, consumption
2. Local neighbourhood/ community	Access to services	School integration, diversity	Community economic development, cohesion	Stability, local consumption, small businesses
3. Wider/macro-economy	Emergency, health care spending	Population educational outcomes	Income security	Labour force participation and taxation

2.2 Literature Scan and Bibliography

The bibliography compiled for this report is presented in two sections totalling 131 entries. The annotated bibliography, containing 70 entries, includes full citations and notes about the topic, scope, rationale, results and/or implications depending on the type of citation. The resources range from formal analytical studies, descriptive empirical studies, conceptual "think pieces," reviews and, in a few instances, shorter research summaries. The studies are compiled from existing grey literature, consultations with experts (listed below) about key studies and literature searches of selected resources like CMHC's Canadian Housing Information Catalogue (CMHC's library) and academic literature using ISI Web of Science (post-1990). Further non-annotated citations, of which there are 61 entries, are listed for several reasons: they are important for further review beyond the time available in the present study; they present similar evidence to work reviewed, in which case this is indicated in the annotated section of the bibliography; or they support insights or assertions made in this write-up. The reader will note that some cross-referencing of sources is included both in the bibliography and in the written text.

In terms of search and selection, identification of studies included the following search terms: social or public housing, assessment or evaluation, cost, benefit and economic value. Alternative combinations returned increasingly overlapping lists from ISI. It is interesting to note that the full bibliography shown comprises a large number – but scarcely a majority – of studies from the academic literature. Some of the key studies are found in peer-reviewed academic journals, but other important citations – important for what they say about data needs or study design, for example – are found in the so-called "grey literature."[3] In terms of the formal literature search, recent studies published in English in Canada, the United Kingdom and the United States were selected. Given the scope of work available here, the Australian literature is ample but was not incorporated given the time available. The most powerful English-language studies are cited here (e.g. MTO, SHARP), though the Australian system is perhaps just as instructive for Canada. The Berry et al. (2003) annotated citation is illustrative. Although its focus is homelessness, the authors present a literature that is much more substantial than Canadian research on the costs/effectiveness of homelessness programming. Future research extending the present paper should incorporate Australian evidence.

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[3] There is likely substantial "grey literature" consisting of government and consultancy special studies that are either published or unpublished but are not included here. In the Canadian context, the grey literature is likely to consist of reviews and briefing reports rather than original studies given the lack of a common set of indicators – measurable variables or characteristics that provide an indication of a condition or direction.

2.3 Overview and Selected Examples from the Literature Scan

As indicated above, most of the evidence on the economic value of social housing is found in the United Kingdom and United States, and it is primarily based on individual/household outcomes of residence in social housing or improvements in dwelling and/or neighbourhood circumstances. There is little literature in Canada that formally analyzes, under any evaluative system, the economic value or costs of social housing whether at the household, local community or macro-economic levels. If there were one recommendation to come of this project, it would be that key stakeholders, researchers, research users and policy-makers in Ontario and Canada ought to work together to develop a data strategy for this sector (see Dunn et al., 2006, for a comprehensive assessment of data needs and gaps focused on housing as a socio-economic determinant of health).
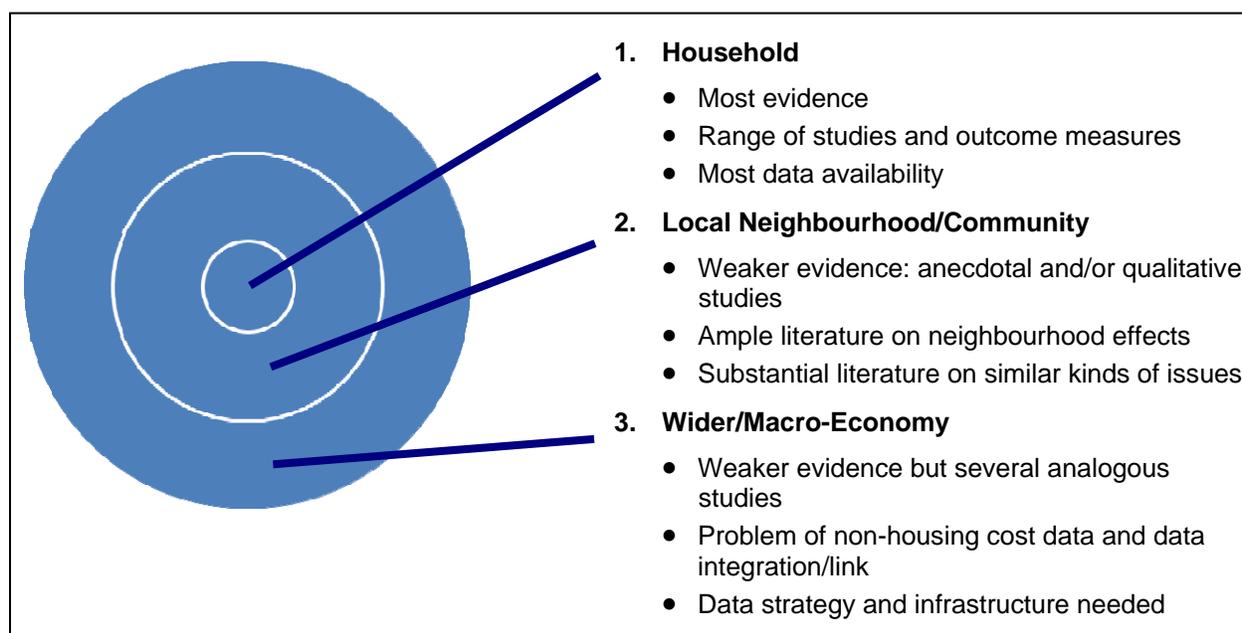
In each of the following subsections, a general discussion is followed by selected examples including those drawn from the Canadian literature.

2.3.1 Evidence at the Household Level

Understandably, the weight of evidence on the values, or indeed costs, of social housing (broadly defined) is at the individual/household level, whether as a population of residents or for special groups (e.g. children). This is for two reasons: first, as discussed earlier, the underlying foundation of social housing, whether supply- or demand-based, is built upon social welfare and justice concerns for the residents themselves. A second reason for seeing most evidence at this level is that data are more readily available. Data at the household level are routinely collected by program administrators and/or social surveys that provide linkage and analysis opportunities. Arguably the best data here are the administrative data from the US Department of Housing and Urban Development (HUD) that allow researchers to track social housing residents or voucher recipients to analyze a range of socio-economic outcomes. One such source is special purpose data collected as part of unique studies that are themselves easily collected in questionnaire surveys. Thus we see many studies that begin with household social welfare as a rationale and use data that are readily available to examine housing and non-housing outcomes at the household level such as, respectively, comparative dwelling condition or crime and social disorder outcomes (of social housing and comparator private market residents, for example).

In terms of the scale and data/evidence relationship, this level of analysis is found at the centre of the "target" in Figure 1 – a simple schematic showing the increasing scale of the value question in this report and its relationship with data challenges and an accordingly narrower evidence base. As discussed in more detail below, the evidence base at the household level is greatest but by no means complete. For instance, many studies examine the educational impact on children of rehousing, but the value of educational attainment (valuating or pricing as one would in a cost-benefit analysis, whether for the individual or wider society, the benefit of increased literacy or high school completion, for example) does not exist because it faces the same sorts of limitations we see at the macro-scale (level 3 in Figure 1). We return to a discussion of specific outcome measures and study designs later.

Figure 1. Scale and the Data and Evidence Base in Value of Social Housing Research

1. Household
- Most evidence
- Range of studies and outcome measures
- Most data availability

2. Local Neighbourhood/Community
- Weaker evidence: anecdotal and/or qualitative studies
- Ample literature on neighbourhood effects
- Substantial literature on similar kinds of issues

3. Wider/Macro-Economy
- Weaker evidence but several analogous studies
- Problem of non-housing cost data and data integration/link
- Data strategy and infrastructure needed

Selected Examples of Evidence at the Household Level[4]

This is the largest single group of studies of all that produce some evidence of outcomes. These studies number 29 in the annotated citations.

- Acevedo-Garcia (2000) focuses on the role of segregation in infectious disease. The paper is notable also for its advancement of a new concept for understanding the housing and health linkage.

- Briggs et al. (2008) focus on educational outcomes in the Moving to Opportunity (MTO) housing experiment and studies. They find that educational advantages of rehousing residents from social housing in poor neighbourhoods to higher status neighbourhoods does not necessarily generate positive educational outcomes for children. Compare this with the Briggs et al. (1999) study, which does find positive health outcomes of rehousing for health outcomes.

- The Center for Housing Policy (CHP, 2007a and 2007b) studies are summaries of comprehensive reviews of health and educational outcomes of affordable housing in general.

- Thomson et al. (2003) and Curtis et al. (2002) focus on the household benefits of, respectively, dwelling (refurbishment) and community scale (urban regeneration schemes) improvements.

- Using a case-control study design, Fauth et al. (2004) published one of only a few studies of adult outcomes of rehousing, in this case in publicly funded row housing in middle-class neighbourhoods. They found that adults had reduced exposure to violence, improved health, reduced alcohol abuse, reduced dependence on social assistance and were more likely to be satisfied with their neighbourhoods and be employed.

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[4] See Section 3 below for an overview of study designs.

- Hills (2001) examines the role of the Housing Benefit in social housing and finds that program participation may be reinforcing social polarization and deprivation.

- Olsen et al. (2005) use HUD administrative data for a longitudinal analysis of households on rental assistance to analyze the impact on labour earnings and employment.

Canadian Studies

- Carter et al. (forthcoming) present a new and powerful short-term longitudinal study of refugee housing circumstances. This study is notable because of the study design and, like the other Canadian examples below, it is an example of a data strategy in the Canadian context.

- Gagner and Ferrer (2006) use the National Longitudinal Survey of Children and Youth (NLSCY) to examine a range of longitudinal outcomes in children.

- Oreopoulos (2003) links tax administrative data of Canadians to examine the labour market outcomes of residents of different kinds of housing neighbourhood environments.

- Smith and Sylvestre (2008) use a special purpose questionnaire survey to analyze the outcomes of movers to different apartment residences.

    o See Bryant et al. (2004) and CMHC (2007) for examples of qualitative studies.

- Also of note are two new longitudinal studies of housing and health in Canada: the *GTA West Social Housing and Mental Health Study* (Dunn, 2009) and a community-based research initiative, *Positive Spaces Healthy Places,* focused on the intersections of housing and persons with HIV and AIDS (Tucker et al.).

Further Notes

- Note in this selection and the full bibliography the mix of studies on both housing and non-housing outcomes for residents.

- As suggested by the selection of brief summaries above, most studies of household outcomes of social housing focus on health outcomes, specifically, physical and psychosocial outcomes. Education and developmental outcomes come next, and, finally, other issues like labour force participation, earnings and crime are also studied.

- Some studies are concerned with examining differences between alternative types of social housing/assistance (e.g. CMHC, 1997; McClure, 1998; see also Anderson et al., 2003, for a review).

- Some studies focus on differences between those in social housing (cases) and comparators in market housing (controls) (e.g. CMHC, 2001; Fertig and Reingold, 2006).

- Some studies are concerned with the effect of mobility per se (see Mueller and Tighe, 2007).

- Some studies are concerned with the impact of social mixing, particularly as it results from rehousing (e.g. CMHC, 2001; Galster and Zobel, 1998).

- Many studies in the United Kingdom and United States conclude that long-term residence in social housing can in fact stall residents' outcomes and reduce life chances (e.g. Feinstein et al, 2008).

- In general, the MTO studies are the most powerful and established body of evidence on the impacts of social housing on households. The SHARP studies are similarly useful. See these entries as well as Sampson (2008), Thompson et al. (2001) and Popkin et al. (2009) for reviews and Wasserman (2001) for a historical overview.[5]

2.3.2 Evidence at the Local/Neighbourhood Level

At the neighbourhood scale of analysis, which asks the question of social housing's impact on the local area, we find rather less evidence. It is both direct and indirect as well as equivocal and anecdotal. In general, we gain an appreciation of the value of neighbourhoods because they generate individual/household outcomes. Still, we know little from these kinds of studies of the impact of social housing *on* neighbourhoods. In other words, the neighbourhood, unlike the individual/household, is uncommonly the unit of analysis in studies of the economic value of social housing. In some respects this lack of coverage in the literature is surprising. First, as noted in the introduction, social (especially monolithic RGI public) housing in the United Kingdom, the United States and Canada has become increasingly stigmatized and associated with a number of social processes including "not-in-my-backyard-ism" (NIMBYism) and, in the United States context, neighbourhood flight of white residents with the influx of minorities including those in newly sited public/social housing. It stands to reason that an evidence base would develop around the question of whether, say, NIMBYism is warranted. The most direct evidence of the economic impact of social housing to neighbourhoods is found in studies that examine the property value impact of proximate social/public housing (CMHC, 1994a; Wellesley Institute, 2008; Nguyen, 2005; see also Galster and Zobel, 1998). Nguyen's (2005) review is telling: the evidence ranges widely and depends on numerous factors, though the review found only 17 studies that directly analyzed the question – a failingly small number given both the scale of community reaction observed over several decades and the need for advocates, policy-makers/programmers and planners to have reliable evidence.

The second reason to expect a much broader literature on neighbourhoods as units of analysis in social housing studies is the existence of sustained research in a range of parallel social and planning issues (for an early example, see Ley, 1983). For instance, the urban form and health literature, focused on such issues as sprawl and walkability (e.g. Frumkin et al., 2004), is one recent example of ongoing interest in the mutual interdependence of physical space and social processes. A similar example is burgeoning urban "food deserts" research that asks about the prevalence and impact of the absence of nutritious food outlets on poor urban households (Wrigley, 2002; Smoyer-Tomic et al., 2006; Cummins and Macintyre, 2002). Most relevant perhaps is the long line of studies that examine property value impacts of a range of "spatial externalities" (land uses that have positive or negative effects on nearby residents) (Cervero and Duncan, 2002; Vadali and Sohn, 2001; Adair et al, 2000). Take the example of transportation infrastructure: Baum-Snow and Kahn (2000) found that housing prices in St. Louis, San Diego and Los Angeles generally increased due to the presence of rail transit, although not uniformly. Falcke (1978, in Goldberg, 1990) found that the Bay Area Rail Transit (BART) increased prices of properties for those located close to stations but decreased property values for those located

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[5] The reader will note several reviews listed here. The present paper relies to some extent on these reviews. We have not obtained each of the papers/studies reviewed in the reviews cited here and reviewed/cited them separately. We take the reviews cited here to be representative of the papers they address.

away from stations but close to the rail lines. McMillen and McDonald's (2004) study of Chicago's Midway rapid transit line, completed in 1993, found that housing near to the line rose in value more quickly than housing further away in the six years leading up to completion of construction. Noting that their results mirrored those of Damm et al. (1980) on Washington, DC's Metro, McMillen and McDonald also found that prices of properties further from the Metro rose faster in the six years after the line was completed. Though these studies return mixed results, they are only a small sample of the volume of work on this theme, leaving us to ask again why the research evidence on social housing should be so underdeveloped.

If there is one reason why neighbourhood-level studies are understandably less common, it has to do with the problem of operationalizing the term *neighbourhood* itself. Quantitative geographers, sociologists and urban economists, among others, have written about this extensively. Much of this work is analytical and falls under the general title of "neighbourhood analysis," found in such journals as *Geographical Analysis*. In a more pragmatic line of inquiry, some ask observational data-driven questions like this: Is census geography, containing "neighbourhoods" (census tracts) of roughly 4,000 persons on average in urban Canada and the United States, relevant for analyzing social processes? For instance, Ross et al. (2004) analyze the neighbourhood correlates of gambling in Montreal and, in doing so, provide one of only a few studies that assess the validity of census tract geography (spatial units of a given size, shape and configuration produced by Statistics Canada for administrative data collection purposes, primarily, and not for researcher purposes) for doing such studies. Similarly, in their paper on the influence of neighbourhoods on immigrant health, Buzzelli and Su (2006) demonstrate why use of census geography should be done cautiously and should include sensitivity analyses that take account of spatial scale and aggregation effects. On balance, neighbourhood-level studies may be challenged by methodological issues; however, given the long line of studies in similar sorts of issues, we are left with a body of evidence in the social housing domain that is inadequately small.

Selected Examples of Evidence at the Local Neighbourhood/Community Level

- Mueller and Tighe's (2007) systematic review finds that the conceptual linkages between housing and neighbourhoods, on the one hand, and health and educational outcomes, on the other, are not yet well developed.

- Whereas Curtis et al. (2002) focus on the impacts of urban regeneration on residents, Zielenbach (2003) asks whether urban regeneration via HOPE VI raises neighbourhoods' relative standing. Noting that public housing neighbourhoods were almost universally worse off than comparison areas in 1990, he shows that regeneration had nearly completely reversed their standing 10 years later and attributed the change to HOPE VI and other socio-spatial processes.

- CMHC (1994a) is a Canadian example and uses special purpose questionnaire survey data to explore incumbent residents' and business's perceptions of social housing in their neighbourhoods. This study is notable because it uses a case-control design.

- As noted above, Nguyen's (2005) review is the most useful at the scale of analysis and finds mixed evidence of a property value impact, depending on design and management, land use mix and the degree of concentration/segregation of housing projects.

Further Notes

- As suggested by Table 1, further research is needed with a number of potential target themes, such as the impact of school population diversification, augmented commercial activity and small business support, and health/social service utilization/economies.

- The interest in social mixing was noted in the earlier section. It is an underlying assumption behind the assumed benefits of rehousing schemes (MTO and others) in particular.

2.3.3 Evidence on the Wider/Macro-Economy

At this level of analysis, like that of local communities, the literature is thin, though in some respects we find good indirect evidence of the value of social housing for non-housing benefits (reduced spending on health or improved educational outcomes). In this context, the question of what we would collectively lose in the absence of social housing is perhaps most apparent: as with "Million-Dollar Murray," if there was no housing assistance of any kind, market failures would surely raise social spending. Unlike operationalizing what is meant by *neighbourhood*, however, the problem here is like that of analysis at the household level: the data exist but we need a mechanism by which we can impute the cost savings introduced by quality, safe and stable affordable housing or housing assistance. We return to this in Section 3 but for now turn to some of the related evidence of the long-term benefits of social housing to the wider economy.

- The AOCDO (2003) study provides some direct evidence of the return on investment in cost-shared (20% subsidy for initial capital outlay and ongoing cost sharing of carrying costs) social housing in Oregon. The report shows an internal (State) annual rate of return of 25.5%, whereas the accepted rate of return in the literature is roughly 10% to 15%. The study also reports aggregate rent savings of $24 million and 833 jobs supported by rent savings, all based on $94 million in investment (over 10 years). This is based on calculations across a range of sectors for resident spending, income tax returned and comparison of market versus affordable housing rents.

- Patterson et al.'s (2008) study of adults in British Columbia with severe mental illness produces estimates of the size of the population, associated social service costs and net social spending savings as a result of the provision of supportive social housing. The authors estimate the average homeless person to cost British Columbia approximately $55,000 a year, a sum reduced to $37,000 a year with adequate supportive housing. The reduction results in total social "cost avoidance" of $211 million. Once the capital and ongoing costs of adequate and supportive housing provision are accounted for, the authors find provincial savings of $33 million on an annualized basis.

- Pomeroy's studies (2007, 1998 [with Dunning]) are two in a long line of studies that make a business case, aimed primarily at municipalities, for proactive social housing and supportive housing for the homeless. Pomeroy argues that supportive housing can significantly offset the costs of emergency and institutional services (emergency psychiatric beds, corrections, etc.) such that the housing, along with support services, in effect "pays for itself." Pomeroy (2007) also raises the critical issue of alternative funding levels in which housing is a locality-based service but one whose savings in other policy domains are returned to higher levels of government: effectively a disincentive to invest in housing for local municipalities. Accordingly, the report calls for interagency and intergovernmental/jurisdictional policy and program coordination so that the costs and benefits of proactive supportive housing can be fully realized.

Further Notes

- The Patterson et al. and Pomeroy studies rely to some extent on United States social service costing, given the relative dearth of Canadian data.

- Cost avoidance estimates based on supportive housing for the homeless cannot be applied – or at least must be applied cautiously and conservatively – to the social housing clientele as a whole, given the relatively lower usage of a range of high-cost social services (e.g. emergency care).

- Despite this difference, the general principle of large returns on investment probably applies, given the same results we see in income, taxation, poverty reduction interventions and health studies (on which most of the household-level literature is focused) (see Steele, 2006). For an original discussion of the large population health effects of small changes in income/wealth distribution, see Rose (1992). For an example of the benefits of social welfare transfers in improving population health, see Sanmartin et al. (2003).

- Broadly speaking, the Berry et al. (2003) study of the Australian experience of cost avoidance in housing the homeless underlines the point that the Australian literature would be useful to incorporate in a more extensive review and/or proposal for data development in Ontario or Canada.

3. Conclusion, Data Needs and Recommendations

3.1 Conclusion

The literature on the economic value of social housing points – albeit somewhat equivocally – to household-level housing and non-housing benefits. Evidence at the neighbourhood and macro-economic levels is less well developed, though it bears repeating that, even at the household level, benefits are not expressed in terms of reduced (or indeed increased) direct or indirect social spending. Said another way, we know that households that are better housed have greater stability, improved health and educational outcomes, greater labour force participation, reduced crime and so on, but we do not see systematic evaluations of the economic costs or benefits to households or economies. We are still guided more by intuition than evidence. In all respects the Canadian literature is representative though far less developed. Two important studies are now underway and will generate novel evidence, but this will take some years to bear fruit. According to Tom Carter, "There is a literature that talks about it [economic value of social housing] in a general sense but nothing in terms of dollars and cents."[6]

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[6] Professor and Canada Research Chair, University of Winnipeg, personal communication, 2009. Other consultations for this project that are not otherwise cited involved the following experts: Professor Jim Dunn, University of Toronto; Professor Nigel Sprigings, University of Glasgow; Leslie Jones, Manager, Canadian Housing Information Centre, CMHC; and Jim Zamprelli, Senior Research, Housing Needs, Policy and Research, CMHC.

We can identify several rationales for aspiring to better understand the value of social housing that will need, as discussed below, significant data and resource inputs. The first is the basic rationale that, compared with the United Kingdom and the United States (and very likely Australia as well), our research is far less developed and we ought to strive to at least keep pace with the evidence base that informs policy and program development abroad. Second, as we see in the overview above and bibliographic annotations, there is evidence (if uneven) that the provision of social housing (broadly defined) and the associated services have clear benefits to households and beyond, both for housing specifically and for non-housing domains. On top of the need to simply know more about our social spending, we should also know whether and how well it is serving clients and the wider society. For instance, when we think of the "social housing sector" – including landlords, maintenance people, municipal government, service providers, etc. – we can imagine that capacity building would surely return benefits in terms of effectiveness and improved quality of life and well-being for residents. How does the system perform? Can performance indicators, for example, be tuned to identifying what works well and where improvements await? Answers to these kinds of questions may be more apparent in other jurisdictions. Knowing the current state of data infrastructure and research in Canada tells us that even modest efforts to build an evidence base will bring high returns; starting from virtually zero will mean that even small first steps will be novel and useful for casting new light on the value of social housing. So what's next?

3.2 The Need for a Common Set of Indicators

What do we have as a guide for data needs going forward? The suite of United Kingdom and United States studies, primarily those based on the Gautreaux experiment (Wasserman, 2001), the MTO studies and SHARP studies (see, for example, Popkin et al., 2009), represent something of a "gold standard" because of the data infrastructure built around, and used for, housing interventions. These resources have yielded a range of study designs to analyze household-level housing and non-housing outcomes. In increasing sophistication of study design, these include:

- Cross-sectional studies completed at a single point in time (a cross-section), analyzing correlations and/or group comparisons;

- Case-control studies that begin with outcomes and draw comparisons/contrasts between subjects of interest (residents of social housing contrasted with market counterparts or rehoused residents compared with those remaining in their original dwelling/building) in order to identify instrumental/predictive variables; and

- Cohort studies (which may contain cases and controls) following subjects from a defined baseline period through time while tracking likely influences of outcomes of interest and analyzing subjects for those outcomes. Cohort studies may be built prospectively (going forward in time) or retrospectively (tracing back predictors and outcomes of subjects).

The above study designs are all observational, which means they typically have less control over unobservable factors. Cohort studies are the most powerful of the group; however, prospective studies, in which the most research control exists, are often expensive and require long follow-up time (in the order of years) for results.

Experimental (in social science, quasi-experimental) studies are the most powerful but are rarely possible in socio-economic research except in natural experiments – opportunities that present themselves in quasi-experimental circumstances. The refurbishment and rehousing schemes in some of the United Kingdom and United States studies (MTO and SHARP) are essentially experimental community interventions (trials) that account for (measure) housing/neighbourhood characteristics in order to analyze their influence over outcomes of interest. Like cohort studies, an additional challenge of these powerful experimental studies is the long follow-up time needed for research results (both are longitudinal; however, cohort studies are observationally based, not quasi-experimental).

Though small in quantity, the Canadian literature is indicative of some of the opportunities available to build data resources and, mainly, of insights into the economic value of social housing here. The study by Dunn et al. (2006) represents the most comprehensive data needs assessment to date in the housing field with a particular focus on health. The authors write (p. S11): "The main finding of the NGOA [needs, gaps and opportunities assessment]was that there is a significant dearth of research on housing as a socio-economic determinant of health but enormous potential for conducting high-impact, longitudinal and quasi-experimental research in the area." While speaking to a particular research need within social housing in Canada, this assessment fits nicely within the wider recognition of opportunities for social science data research (Lipsey, 1990) built upon targeted data strategies (e.g. CPRN, 2008; NCVHS, 2002; Bynner and Joshi, 2007). We see those strategies in longitudinal studies using special-purpose surveys and/or administrative data linkages for case-control and cohort studies (Carter et al., forthcoming; Gagner and Ferrer, 2006; Oreopoulos, 2003; Smith and Sylvestre, 2008). We can add to this the nascent Dunn (2009) and Tucker et al. studies that are now getting underway. Thus we have examples of what Marion Steele suggests is necessary for Canadian research to fully grasp the importance of social housing.[7]

There is, however, one key element missing in the literature that would complete the puzzle of social housing's economic value: evaluation, as in a cost-benefit analysis, of the impact of social housing whether it be for households, their neighbourhoods or the wider economy. According to Mueller and Tighe (2007: 382-383), the following is true:

> Attaching meaningful social costs to poor conditions remains elusive. Aggregate measures used in the empirical literature are hard to translate into costs that make sense to the public. More compelling might be studies of differences in housing conditions between similar groups in the same community, and of measured differences in their use of local health services or other concrete, short term, local costs.

Steele's (2005) analysis of homeownership, where the data are much more abundant, is illustrative (see also CMHC, 1994b). She analyzes the private and societal costs and benefits of homeownership for households and for the wider economy in selected cities. She presents a number of hypotheses, some of which cannot be measured directly or costed at all. She writes that a proper cost-benefit analysis requires data that allow for estimates of the size of an effect and a market valuation of that effect. This study is suggestive of how we may approach the

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[7] Marion Steele, Emeritus Professor of Economics, University of Guelph, personal communication.

question for social housing. Indeed, there is a range of possible tools available beyond cost-benefit analysis, including these: cost-evaluation, health impact assessment (for health, though this could be extended to other themes), various measures of return on investment (as in the AOCDO study) but perhaps especially social return on investment (SROI), social accounting and value-added statements. A review of each is beyond the scope of this paper.[8] Our purpose is to understand whether and to what extent social housing has an impact and then to impute the net costs or benefits that flow from it. Taken together, the size of the impact of social housing with public expenditure/investment would allow an accounting or costing of the impact of social housing. Though these kinds of data resources and research results are a long way off, the long-term goal is integration of housing in the nexus of public policy: a one-window approach to human service delivery that is already part of the discourse on service integration among social housing administrators and service providers.

So where do we begin? There is clearly a need to build a common set of indicators, defined as measurable variables or characteristics that provide an indication of a condition or direction. Indicators can help to understand where we are, where we are going and how far we are from a goal. Building indicators for the provinces and Canada will take time and resources but the opportunity is clearly there.[9] According to Sharad Kerur, data in the social housing sector exists but is "... not very well managed: We have reporting requirements on just about any program but no central capture point."[10] Beyond the literature, then, "proof of concept" is needed for stakeholder buy-in and data development. For example, like macro-studies of homelessness cost avoidance, poverty alleviation is one policy lever for social housing to develop its data resources.[11] Similarly, studies (notably of quasi-experimental design) of guaranteed income and social assistance (Province of Manitoba) and work incentives in New Brunswick (Human Resources and Skills Development Canada) are illustrative of the opportunities to link as yet unexplored data. In order to have the same impact, we need to understand the near- and longer-term returns of data and resource investments. In ascending order of resource requirements, the basic options for filling the data gaps are:

- Mining existing data, of which there is ample collection but which require both approval for use and organization for research purposes;

- Generating new data with cross-survey linkage, which also requires resources and a further layer of approvals to safeguard privacy and anonymity; and

- Primary collection.

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[8]   Indeed, one decision that has to be made early on in following through with this report's recommendations is the structure of a data resource on social housing in Ontario or Canada. The *CMAJ* recently provided an overview of a payback model specific to the health sector that helps to structure how we think about, and analyze, the returns on data investments (Frank and Nason, 2009). The authors include five elements: advancing knowledge; capacity building; policies and products; health and health sector adaptation; and broader socio-economic benefits. We could envision translating this kind of framework to the social housing sector both for implementing the recommendations and for ongoing assessment of the initiative.

[9]   This explains the original rationale for the present project. Given the short-run obstacles to a data analysis, a literature scan and consultations were chosen as a first step toward a near- and long-term data and research strategy.

[10] Sharad Kerur, Executive Director, Ontario Non-Profit Housing Association, personal communication, June 30, 2009.

[11] Steve Pomeroy, President, Focus Consulting, personal communication.

Consider the following examples. The first one, in Ontario, is the SMAIR (Service Manager Annual Information Return) database compiled by local housing service managers and then submitted to the Ministry of Municipal Affairs and Housing. Although the SMAIR database has only aggregate data, the service managers may themselves have "individual household level data on parameters such as income, etc., if they do the RGI calculations themselves. Otherwise, the individual housing provider would have the data. Different SMs operate differently."[12] Another example of a near-term data opportunity is from questions in the Survey of Labour and Income Dynamics (SLID) and the Survey of Household Spending (SHS) at Statistics Canada. The former asks whether a household's rent is subsidized and whether rent is adjusted for income (since 2002). The SHS asks whether the respondent lives in subsidized housing (since 1997).[13] Moore and Skaburskis (2004) use the SHS in a data-linked study along with other surveys to track the long-term trends in housing affordability in Canada (see also Rea et al., 2008, for use of the SLID data). Finally, the examples of the Dunn (2009) and Tucker et al. studies are of special purpose primary collection. Though there has been far less research in Canada, we have indications of what may be done with various data options.

3.3 Recommendations for Indicators Development and Studies of the Economic Value of Social Housing

The following recommendations are aimed primarily at short- and medium-term activities (next five years). Recommendations 1 and 2 could be substantially in place within one year, and Recommendation 3 could be completed in 12 to 18 months. The twin goals are, first, to lay a foundation for a base of evidence like the "gold standard" studies in the United Kingdom and United States (MTO, HOPE VI and SHARP) and, second, to build that evidence for the social housing sector in the provinces and Canada as a whole. The longer-term goal, as suggested by Mueller and Tighe (2007), is to connect this evidence base with public expenditure accounts for a true socio-economic accounting of the value of social housing.

There are two related points of emphasis here. First, follow-through with these objectives, even the more modest near-term recommendations, will require strong leadership. Significant inputs of time, resources and funding will require guidance and leadership for both spearheading the movement and ensuring continuity. Partnerships of a small circle of key advisors are likely to be the most effective means of moving this agenda forward.

Second, despite the resource inputs needed, the overall cost of such data infrastructure and research development is modest in the wider context of social spending and will pay huge dividends in terms of both understanding and programming. The Canadian Institutes of Health Information (CIHI) is a good example here. CIHI's 2008 budget represents about 0.05% of total public and private health spending at all levels of government in Canada, a vanishingly small proportion that nonetheless furnishes key data in a number of respects. Another example – this

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[12]   Madhavi Patel, Ontario Ministry of Municipal Affairs and Housing, personal communication.
[13]   Based on consultation with Willa Rea, Policy and Research Division, CMHC. Note that other Statistics Canada surveys have social housing/subsidy questions (such as the Aboriginal People's Housing Survey and special surveys) and that there is some discussion of the possibility of a social housing question in the 2011 Census. Data linkage opportunities may exist with such surveys as the National Longitudinal Survey of Children and Youth, the Longitudinal Survey of Immigrants to Canada and the public use microdata file (PUMF).

one university-based – is the Human Early Learning Partnership (HELP) led by Dr Clyde Hertzman at the University of British Columbia (www.earlylearning.ubc.ca/). HELP has developed over the last decade to integrate, collect and analyze data and to work directly with government and research users for policy in early child development. HELP is a good example not only for its knowledge mobilization through partnerships but also because it is a nascent initiative with data expertise at its core much like that recommended here. The US HUD administrative data is perhaps the closest we come in the housing field to a centralized capture point. What we need then is a resource that resembles these infrastructures. Its collection and availability to researchers, research users and others would help to develop the rich and textured information and understanding we see in studies abroad.

Recommendation 1 – Set Priorities

Because the scope for data and research development is wide-ranging, the development of indicators and, ultimately applied research and evidence-based policy, should be guided by strong leadership and well defined priorities.

- To furnish the necessary leadership, a working group drawn from such places as program administrators and service managers, as well as researchers, should be formed in order to plan a data and indicators development and research strategy timeline.

- Ensure that the working group is committed to continuity at least through the medium term.

- Ensure that the working group is able to facilitate partnering.

- Develop terms of reference, based on these recommendations.

- Identify critical priorities in the sector that relate to the economic value of social housing (such as in the Social Housing Services Corporation *Ideas into Action* process[14]). Examples: populations (general social housing population, special needs population, immigrants, singles and families, etc.); management (resident tenure; RGI; capital/asset management, refurbishment, etc.); services (e.g. supportive housing). See the CHP annotated entries for examples of working hypotheses.

- Consider near-term issues of primary interest to the sector.

- Consider leveraging priorities that also intersect with related policy concerns (health, education, labour force participation, poverty reduction, etc.).

- Consider longer-term goals/ideals that could be aided with an evidence base on the value of social housing at the household, neighbourhood and/or wider economic scales.

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[14] Recognizing that the cross-pollination of ideas is perhaps the best avenue to innovation, SHSC organized the *Ideas into Action* conference in early May 2008. The event was designed as an "open space" where participants themselves collectively identified and developed possible solutions to what they perceived to be key issues posed in different areas of the sector.

Recommendation 2 – Establish Partnerships

Alongside priority setting, success can be bolstered by bringing together relevant groups including sector leaders, research users and policy-makers, community representation and the research community. It is worth re-emphasizing that this enterprise must incorporate a solid understanding of data and indicators construction and use.

- Foster partnerships between stakeholders, data providers, sponsoring organizations, researchers and communities.

- Keep in mind that the aim here is data mining, co-development, sharing and ultimately knowledge mobilization among key stakeholders and communities.

- Explore the option of merging ongoing studies (as noted earlier) for a more concerted research effort.

Recommendation 3 – Identify Resources

Following the priorities set out by the working group, leaders should identify the resource needs for its short-, medium- and longer-term data and research goals.

- Catalogue social surveys, administrative data and special purpose data resources that speak to the priority themes identified above.

- Consider mining administrative data first since these are the least used and may offer the highest and quickest return on time invested.

- Consider data linkage opportunities, including linkages with ongoing studies.

- Consider alternative study designs available with different data types. Cross-sectional studies will return "quick hit" studies demonstrating the utility of this data resourcing and research effort.

- Consider primary collection. This is often the most resource intensive option when "one-off" studies are designed. However, special collection could include sponsored modules (as in the CMHC-sponsored housing module in SLID) or survey data linked with standard social surveys or administrative reporting.

Recommendation 4 – Applied Research

Maintaining a focus on the goals and targets important to the sector is critical. Evidence-based decision-making will need applied research.

- Plan quick returns, such as with cross-sectional studies and or studies based on existing administrative data, as well as longer-term stronger study designs such as case-controls and cohorts.

- Consider alternative study designs available with different data types.

- Adopt a protocol for community engagement where communities are partnered (broadly defined) in research.

- Develop a dissemination strategy that includes key stakeholders and research users so that the research is effectively transmitted and translated.

- Focus on longitudinal studies – including community trials/interventions – as the main target for the medium term (i.e. not a series of cross-sectional studies), even though cross-sectional studies provide immediate returns. For medium-term results, prospective cohort studies may be the least applicable; however, a base for ongoing work in this design could be built along the way.

- Ensure that studies generate usable data for the longer-term goal of connecting these social housing impact studies with social accounting efforts (such as SROI and cost-benefit analysis).