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## Value of social housing goes beyond dollars and cents

- There is emerging interest from policy makers as to whether a business case can be made for social housing as a form of essential infrastructure.
- Evaluations of social housing developments are more complex and multifaceted than standard infrastructure like road or rail.
- Assessments often ignore intangible benefits of social housing, such as wellbeing, security of tenure and social inclusion.

Compared to standard infrastructure assessments, evaluations of social housing developments are more complex and multifaceted, new AHURI research finds. While the benefits of transport infrastructure can be condensed to a single measurement such as 'travel time savings', the benefits of social housing are difficult to measure and quantify.

The research, 'The business case for social housing as infrastructure', undertaken for AHURI by researchers from RMIT University, investigated various business case frameworks for funding social housing as infrastructure, including using cost-benefit analysis and other alternatives, in order to develop stronger analytical methodologies.

'Previous cost-benefit analyses of social housing either focused on specific benefits arising from housing, or omitted the range of non-market traded benefits that accrue from social housing, such as wellbeing, security of tenure and social inclusion', says lead author of the report, Professor Jago Dodson from RMIT University. 'Assigning a price to these qualitative factors is complex and requires a lot more technical development.'

The research emphasises that while business case methodologies have a use in developing social housing proposals, there is a need to first establish a conceptual basis and guiding questions so that the assessment methods are fit for purpose. Following on from this, the research puts forward a range of questions that a social housing business case could consider:

- Does increasing housing supply provide a better outcome than rental subsidies?
- Where should social housing be provided?
- What should be the mix of housing types and built form?
- What are the benefits of providing housing to specific groups of people?

The research also identifies some alternatives to cost-benefit analysis that policy makers can use.

'One alternative identified in our research is the 'avoided cost' approach which estimates whole-of-government financial savings across portfolios, such as the cost savings in health, justice and social services when a person at risk of homelessness is provided social housing' says Professor Dodson.

'Another method we looked at is the 'housing adjusted life years' method which frames homelessness or inadequate housing as a public health issue that reduces life expectancy and quality of life.'

The report can be downloaded from the AHURI website at <https://www.ahuri.edu.au/research/final-reports/312>

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