



Research Report

*Victorian Women's Housing Association investment
in affordable housing for women -
the social and economic returns*

VWHA's affordable housing projects return **\$3.14 of social and economic value** for every \$1.00 invested.

VWHA and its partners create **\$30 million in value** for tenants, funders, developers and Victorian communities from a \$7.45 million investment.



MAY 2010

Thanks

VWHA would like to thank the women living in our houses who make a significant contribution to the community through their courage and determination to create a different life.

We would also like to thank Social Ventures Australia (SVA), a leading Social Return on Investment (SROI) practitioner in Australia for working with us on this project.



To our Wonderful Funders and Partners

- Portland House Foundation
- Ian Potter Foundation
- Myer Fund
- Maddocks
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- Melbourne Citymission
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- Victorian Property Fund
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- RACV Foundation
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- Matrix Guild
- VicUrban
- Emergency Accommodation Support Enterprise
- Berry Street
- McAuley Community Services for Women
- Australia Post
- Australian Institute of Architects
- Brimbank Council
- Moreland Council
- Darebin Council
- Mornington Peninsula Shire
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Developers and Builders

- Hermitage Homes
- Zuccala Homes
- JG King
- Como Constructions
- Deal Corporation

Strategy and Media

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Victorian Women's Housing Association is a non-profit company limited by guarantee.

Background

Victorian Women's Housing Association (VWHA) is a non-profit organisation established in 1996 to develop innovative housing solutions for disadvantaged women and their children.

Our mission is to provide affordable and safe housing for disadvantaged and 'at risk' women and their dependents. To achieve this mission, VWHA works in partnership with a range of funders and partners who have a passion for transforming the lives of women and their children.

VWHA is committed to measuring the outcomes it achieves. In late 2009 we commissioned Social Ventures Australia (SVA) Consulting to evaluate the outcomes of the investment in affordable housing by VWHA and its partners. Our funders also want to ensure their investments achieve positive outcomes.

The Social Return on Investment analysis process provides a rigorous and conservative measure of the impact of investment in VWHA projects at Roxburgh Park and Cairnlea in Melbourne over the past 20 years.

These housing projects comprise 17 properties housing 63 women, children and family members. Most of the women who are tenants in these properties came from situations of domestic violence or from the corrections system.

VWHA Strategic Activities



1. Affordable housing solutions

VWHA plans to have between 65 to 80 properties available for rent by disadvantaged and vulnerable women by March 2011.

Current VWHA projects include:

- Six apartments in Brunswick
- Fifteen houses in Wyndham
- Two houses in Epping
- Nine apartments in Footscray
- Fourteen apartments in Bundoora

Planned VWHA projects include:

- Eight houses in Bendigo
- Houses in Balnarring
- Two projects in Darebin
- An older women's project in Moreland
- A project in Oakleigh
- A project in Bundoora

2. Tenancy and Property Maintenance

VWHA provides in-house tenancy support and property maintenance to ensure our tenants are treated with respect and that their tenancy needs are met.

3. Input into government policy about affordable housing

VWHA provides input into state, federal and local government thinking about affordable housing. VWHA recently presented to the Family and Community Development Committee State Parliamentary Inquiry into the Adequacy and Future Directions of Public Housing.

Purpose of this Research Report

This research report provides a snapshot of the detailed report on research undertaken by Social Ventures Australia (SVA) Consulting to measure the social, environmental and economic benefit generated by our programs. More detail on the SROI research analysis is provided in Attachment 1 and both VWHA and SVA Consulting are happy to talk further with interested groups and to provide more details of the SROI calculation where appropriate.

The SROI methodology is a framework for measuring and accounting for the broad concept of value which incorporates social, environmental and economic benefits of a not-for-profit program such as VWHA's housing projects. The SROI allocates monetary value to the change (impact) that takes place as a result of a program by assessing the returns to those who contribute to creating the change.

As the SROI calculation and analysis is very rigorous, the VWHA SROI benefit calculation should be seen as a **conservative** estimate. This SROI benefit and investment analysis measured the significant impact of 20 years of housing. The analysis indicates that **even over 10 years the return on investment would be positive** because of the way VWHA goes about creating affordable housing.

Key Findings

The SROI analysis for these programs indicates that VWHA programs create a significantly positive outcome for tenants, the community, and our partners.

VWHA creates \$30 million in value for its stakeholders and the Victorian community from an investment of \$7.45 million.

VWHA delivers \$3.14 of social value for every \$1.00 invested.

On average VWHA **tenant households save \$7,179 a year** because VWHA rents are more affordable than market rent.

Over the next 20 years VWHA is projected to have provided over \$114 million in value. With more houses, this figure will be much higher.



Impact

"This is the first time I have ever paid my bills on time and also taken my kids to the movies. Something their mates at school are able to do all the time." (VWHA tenant interview)

"My dad has never known me with a proper home to live in, and both he and I were proud when he first came to stay with me" (VWHA tenant interview)

The research report tells us that the longer women and children have stable and secure housing at an affordable rent, the more social value is created for them, for funders and for the community.

The research also says that long-term, stable, affordable housing breaks the generational poverty cycle:

Where women experiencing disadvantage have access to stable and secure long term housing, they are more likely to set goals to change their circumstances, recognise available support and stay motivated in their quest to become emotionally and economically self-sustaining, influencing positive change amongst the next generation. (Social Ventures Australia Consulting Report March 2010)

How VWHA's Affordable Housing Creates Social Value

The SROI evaluation provided a financial measure of the outcomes achieved for stakeholder groups through the work of VWHA. The following table details the social and economic values achieved for the many stakeholder groups that either contribute to or benefit from the affordable housing VWHA provides.

The research with stakeholder groups indicates that the provision of long term housing has a profound and lasting positive impact on the lives of the women and their families.

Stakeholder group	Social Value
Women tenants benefit from an increase in disposable income, improved independence, improved stability and safety, opportunities for further work and/or education, and feelings of comfort and happiness.	\$3,143,609
Children of tenants benefit from improved engagement at school and feelings of stability, safety, comfort and happiness.	\$1,680,184
State, federal and local governments benefit from savings resulting from avoided costs of homelessness, incarceration and decreased welfare expenditure. They also benefit through increased taxes paid by tenants.	\$9,006,922
VWHA (Investors through VWHA) whose investment is returned through rental income and increases in the market value of properties in addition to the benefits outlined above for women and their children.	\$16,108,875
Community Organisations provide support services for the women in the houses, e.g. Melbourne Citymission provides support and life skills programs for the women.	\$429,975
Total social value – for further details, see Attachment 1	\$30,369,565 over 20 years

All the stakeholders interviewed stated that **housing is the foundation for women and their children who are trying to build a better life** after being affected by domestic violence or coming from a correctional institution.

Another key outcome of VWHA's work is the significant saving to government through the avoided costs of welfare and re-entry into correctional institutions.

What also became clear through the research was the **significant reduction in "next generation" poverty for the children** who live in VWHA houses.

It is important to recognise other outcomes that could not be monetised¹ through the SROI evaluation including:

1. **Increased feelings of stability, safety, comfort and happiness** - this was a key outcome the tenants spoke of when asked what were the main changes experienced after they moved into their new home.
2. **My home** - all the tenants spoke of their VWHA house as the foundation for their lives. One woman from the Cairnlea housing described her house as "her rock". Another woman described how having the house for her and her children was an important first step to a whole suite of positive change for her in her life.

¹ Because of the time and funding limits for this SROI research, a number of outcomes were not able to be measured using a financial estimate.

3. **Improved family relationships** - tenants interviewed spoke of being reunited with children, parents and extended family through having a home. They also spoke of the increased happiness experienced in their lives as a result of the improvement in these relationships as well as the pride of being able to invite their family to a nice home.

The Future

The SROI evaluation commissioned by VWHA has revealed the substantial social, economic and environmental returns delivered by long term affordable housing.

VWHA has an ongoing commitment to:

- continuing to build and acquire projects that provide affordable housing for women in need;
- ensuring that the women who are our tenants are treated with dignity and respect;
- creating a sustainable organisation that continues to grow and to significantly increase the number of houses available to disadvantaged women and their children including those affected by domestic violence and coming from correctional institutions;
- continue to work in partnership with Local Government to facilitate social housing development and overcome any legislative constraints;
- measuring the value we add through the funds invested by government agencies, philanthropic organisations and community partners;
- breaking the generational cycle of poverty.

VWHA is also committed to working with governments and funders to reduce the impediments facing non-profit affordable housing providers. Key issues that block or slow VWHA's ability to provide affordable housing for women who are disadvantaged are:

- the need to provide 25 per cent leverage for all capital projects funded by government;
- the lack of funding available for organisations to support growth;
- the lack of recognition of the contribution of smaller, innovative, non-profit affordable housing providers to the overall social housing agenda.



Your Opportunity to Partner with VWHA

As an innovative, small, non-profit affordable housing provider, VWHA has made and continues to make a difference to disadvantaged women and their children. VWHA could not have delivered this significant social benefit to the Victorian community without our partners. We, and the women we work with, thank them all for their continued commitment.

The number of vulnerable and disadvantaged women who need affordable housing increases daily and VWHA needs your help to grow the number of homes available including:

- Finance for core funding
- Finance for capital projects
- Land gifted or discounted
- Discounted construction costs

Please call Jeanette Large, CEO, on 03 9664 7800 or 0400 199 426 to join our partners in making this happen.

Attachment 1 - Social and economic values

The material in this attachment is taken from the Social Ventures Australia Consulting, March 2010 Report on the SROI provided by VWHA programs.

Social Value included in index per Stakeholder Group				
Outcomes – Indicators	Data Access	Ease to measure	In the SROI	Social Value
Women				\$3,143,609
Increased ability to purchase more food, clothes, entertainment, education, health services etc. <i>Increased disposable income</i>	✓	✓	✓	\$2,318,763
Increase in education / training <i>Increase in stakeholders completed/ completing TAFE / other course</i>	✓	✓	✓	\$102,473
Increase in employment <i>Stable employment since tenancy</i>	✓	✓	✓	\$543,894
Improved independence <i>Purchase of cars, learnt to drive</i>	✓	✓	✓	\$178,479
Improved family relations <i>Reunification of women with children, parents and extended family</i>	✓	✗	✗	Unable to be monetised
Improved feelings of stability, safety, comfort, happiness <i>Increased pride in house and surroundings e.g. gardening and decorating house</i>	✓	✗	✗	Unable to be monetised
Children				\$1,680,184
Improved mental health of children <i>Increased confidence and strengthened relationships with family, school etc</i>	✓	✓	✓	\$1,588,519
Improved academic performance <i>Reduced reliance on tutors and teacher's aide</i>	✓	✓	✓	\$69,825
Improved family environment for children <i>Family does "normal" activities together on weekends / holidays</i>	✓	✓	✓	\$21,840
Government				\$9,006,922
Avoided costs of corrections <i>Cost of prison stay for 3 months</i>	✓	✓	✓	\$1,781,250
Increased tax income due to tenants employed <i>Increased taxes and reduced welfare payments</i>	✓	✓	✓	\$987,012
Increased taxes due to increased education <i>Additional salary earned as a result of increased education</i>	✓	✓	✓	\$29,847
Avoided costs due to reduced drug / alcohol use <i>Reduced or eliminated need for drug treatment / counselling and rehabilitation</i>	✓	✓	✓	\$760,000

Social Value included in index per Stakeholder Group				
Outcomes – Indicators	Data Access	Ease to measure	In the SROI	Social Value
Savings on future welfare expense for children i.e. secure safe housing prevents intergenerational poverty				
<i>Positive increase in children's confidence, academic performance, physical and mental health and family relationships</i>	✓	✓	✓	\$1,398,267
Avoided costs of transitional housing				
<i>Prior to VWHA, women and their families had been reliant on emergency or transitional housing services average four times over 20 year period</i>	✓	✓	✓	\$3,650,546
Increased contribution to affordable housing developments from other sources				
<i>Debt and philanthropic funding to development and ongoing activities</i>	✓	✓	✓	\$400,000
Investors through VWHA				\$16,108,875
Rental income on 17 houses				
<i>Rental income</i>	✓	✓	✓	\$2,520,000
Income from sale of property at the end of the 20 year period				
<i>Estimated market value of properties</i>	✓	✓	✓	\$13,588,875
Positive outcomes for women and their children				
<i>Captured in women and children outcomes</i>	✓	✓	x	Unable to be monetised
Community Partners				\$429,975
Improved physical and mental health of women and their children				
<i>Reduced reliance on social workers through time</i>	✓	✓	✓	\$429,975
Housing Developers				
Improved profile within community and increased employee morale				Unable to be monetised
Increase in employee engagement	✓	x	x	

Women Tenants

Increased ability to purchase more food, clothes, entertainment, education

All women interviewed reported that their ability to buy basic necessities for their families had increased, as a result of rent being capped at 25% of their income. The women spoke of the affordability of the housing, which enabled them to buy food, clothing, furniture and basic necessities such as paying bills. They also mentioned they had some money left over for small luxuries like a family outing every now and then, or recreational activities for their children or themselves.

One woman interviewed was happy that she could buy furniture for her home. Another woman spoke of how wonderful it was to be able to afford a few family outings, to give her children new experiences and **“an outlet for their boundless energy”**. For a few of the women interviewed, it was the first time in their lives that they had paid their bills regularly, and this was a point of pride for them, and helped them feel like a “regular” bill paying member of society.

Comparing market rent to that charged by VWHA, the average household is able to save \$7,179 per annum.

Increase in education/training

Three of the women interviewed had gained or were in the process of gaining educational qualifications after moving into VWHA housing. 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.

Increase in employment

Six of the women interviewed were employed for the first time in their lives. All these women linked their ability to gain and retain employment to the increased stability experienced in their lives since moving into VWHA housing.

Improved independence

Four of the women interviewed reported purchasing their first car after moving into a VWHA house. This was viewed by the women as an important indicator of their increased independence as a result of having secure and stable housing.

Improved family relationships

All the women interviewed said their relationships with family members had improved since moving into secure and stable housing. Prior to this, many had moved continuously from house to house which resulted in them having little time to put into relationships and in some cases this was also affected by geographic distance. While this value could not be quantified it is an important outcome experienced by all the women.

Improved feelings of stability, safety, comfort and happiness

All the women interviewed said their feelings of stability, safety, comfort and happiness had improved after moving into the secure and stable housing. While this value could not be quantified it is an important outcome experienced by all the women.



Children of Tenants



Improved mental health

Children that move into VWHA housing have typically experienced or been exposed to numerous challenges including domestic violence or exploitation. This has a huge impact on their mental health. It was reported that the stable and secure housing has improved the overall mental health of children, increasing their confidence and strengthening their relationships with family, friends and teachers.

Improved academic performance

Two children required additional educational support in the form of a teachers' aide, as a result of their schooling being interrupted by continuous moving. It was reported that the stable, secure housing meant they could stay in the same school and therefore after a period of 6 months, reduce their reliance on teachers' aides.

Improved family life

It was reported that all the children in VWHA households had experienced an improvement in their family life and "life at home" as a result of the housing.

All Levels of Government

The women in the Cairnlea housing had all left prison at some point in the 18 months prior to entering the house. Some of these women had been in and out of prison over many years as each time they exited prison they found that they had few options but to return to the relationships and circumstances that supported their drug use and criminal behaviour.



Increased taxes due to tenants gaining employment

Approximately six of the women tenants had entered into paid employment for the first time after they had moved into the housing.

Increased taxes flowing from increased education

Three of the women gained higher education certificates e.g. TAFE certificates or diplomas after moving into the housing.

Avoided costs due to reduced drug/alcohol use

Many of the women in the Cairnlea housing development reported to be recovering addicts or alcoholics who had cleaned up their habits due to the secure and stable housing as well as the community organisations' support.

Savings on future welfare expense for children – secure safe housing prevents intergenerational poverty

The women interviewed who had children spoke of a series of outcomes that collectively provide strong evidence for positive outcomes in the future lives of the children living in the housing.

The indicators used as evidence for this future social outcome are the following:

- Better mental health of children and children doing better at school;
- Improved family environment for children as evidenced by improved family relations with parents, grandparents and extended family;
- Improved feelings of stability, safety, comfort and happiness.

The improved well-being of these families ensures these children have enough to eat and are educated and clothed. This is a strong contributing factor to the likelihood of them avoiding poverty in the future.

Reduced costs of transitional housing

The majority of the households currently residing in VWHA housing were in various types of transitional housing prior to being housed at Roxburgh Park or Cairnlea. Transitional housing is an expensive way to house 'at risk' groups like those exiting situations of domestic violence, prison, or drug programs.

Increased contribution to affordable housing

In these two housing projects there was a portion of non-government funding which was contributed by philanthropic donations and a bank loan. This represents a saving to state government.



VWHA (Investors through VWHA)

Rental income on 17 houses

A core value of the VWHA business model to investors is the ability for it to be self-sustaining through the rental income generated from tenants, albeit below market rate.

Income from sale of property at the end of 20 year period

One of the key outcomes the VWHA model offers investors is an asset (i.e. house and land) that appreciates in value over time. While the intention is not to sell these properties and realise the value in profit terms, the increased equity in the property over time will enable VWHA to leverage more funds (e.g. loans) to effectively generate new affordable housing supply.

Community Partners

Reduced reliance on social workers over time

Community organisations that are a part of the VWHA program to support the households reported that over time the need for a social worker is reduced. This is because the housing provides a way for tenants to remain in areas for a long time and to live close to their support networks. This then creates a natural support network the women grow to rely on rather than community organisations.

Housing Developers

Improved profile within community and increased employee morale

The housing developer that worked on the Cairnlea project reported that their involvement with it increased their profile within the community and boosted employee morale. Employees felt like they were “giving something back to their communities”. Other outcomes mentioned by the developer were that affordable housing provides housing close to employment centres which supports a strong labour force and a vibrant economy and that there are often attractive returns to be made, especially from mixed developments or joint ventures. To be conservative, these outcomes were unable to be substantiated and therefore their value is not included in this SROI analysis.



VWHA board and staff is comprised of a professional, committed and diverse group of women with a passion for providing affordable housing to women and their families.

Their objectives:

- 1. To provide and manage not-for-profit low-cost rental housing for low-income women.**
- 2. To act as a lessor of low rental or subsidised housing for low-income women.**
- 3. To refer low-income women facing homelessness and destitution to low rental or subsidised accommodation.**
- 4. To refer women living in VWHA's housing to counselling, rehabilitation and support services, where appropriate.**
- 5. To further these objectives, VWHA will also:**

Investigate and seek ways to expand the availability of not-for-profit rental or subsidised housing for women living in poverty and disseminate the results of such investigations through speeches, submissions and the media.

