



# Demonstrating Value

## Fast Facts Resource

### Connections between Housing & Long-term Outcomes

#### *Introduction*

This *Fast Fact Resource* summarizes research evidence about the connection between someone's housing situation and long-term outcomes in health, well-being and education/employment. It also examines the impact of affordable housing projects on property values and community vitality and delves into costing studies that estimate overall costs associated with poverty, homelessness and specific social costs associated with homelessness and housing insecurity.

#### *Health / Well-Being*

- Safe, affordable, and **accessible housing is a key determinant of health**, particularly for seniors, and is imperative in promoting healthy and successful aging.<sup>1</sup> Unstably housed older adults (above age 50) visit the emergency room at nearly four times the rate of the general population of older adults.<sup>2</sup>
- A longitudinal study found that **safe, secure, and affordable housing is a vital factor for recovery from mental health issues**.<sup>3</sup>
- **Health risks associated with housing instability** (frequent moves, poor quality housing, homelessness, high cost relative to income, overcrowding) are,<sup>4</sup>
  - **For children:** general poor health, asthma, low weight, developmental delays, and increased lifetime risk of depression.
  - **For adults:** reduced access to care, postponing needed health care, postponing needed medications, mental distress, difficulty sleeping, incidents of depression.

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<sup>1</sup> BCNPHA Research Department, *The Need for Non-Profit Seniors' Housing in British Columbia* (Vancouver: BC Non-Profit Housing Association, June 2010).

<sup>2</sup> Sarah Knopf-Amelung, "Aging and Housing Instability: Homelessness Among Older and Elderly Adults," *In Focus: A Quarterly Research Review of the National Health Care for the Homeless (HCH) Council* 2, no.1 (September 2013).

<sup>3</sup> Canada Mortgage and Housing Corporation (CMHC), "A Longitudinal Study of Housing for Mental Health Consumer-Survivors," *CMHC Research Highlight Socio-economic Series 10-002* (February 2010).

<sup>4</sup> Enterprise Community Partners, *Impact of Affordable Housing on Families and Communities: A Review of the Evidence Base* (Columbia, MD: Enterprise Community Partners, 2014).

- J. Higgins (2002) summarizes the significant evidence that links **poor housing quality with morbidity related to infectious and chronic diseases, injuries, poor nutrition, asthma, neurologic damage, and mental disorders.**<sup>5</sup>
- **Specific health outcomes associated with homelessness** include infectious diseases (e.g., sexually transmitted infections); mental health issues, including substance use disorders; cognitive impairments; foot issues; chronic diseases (e.g., hypertension, diabetes) and injuries.<sup>6</sup>

## *Education / Employment*

- When a child is constantly moving homes while in elementary school, it can **negatively affect their performance in school, and can be a cause of long-lasting achievement gaps** in their education. Researchers have found that a change in schools decreases a child's levels in math and reading, equal to a 3-4 month learning disadvantage.<sup>7</sup>
- A study which examined longitudinal data in the UK found that **children living in housing that was overcrowded, in poor state of repair and/or had inadequate heating for three years or more, were more likely to have negative education outcomes.**<sup>8</sup>
- In an extensive review of research evidence, Sandstrom and Huerta (2013) found that **residential instability leads to lower vocabulary skills, grade retention, increased high school drop-out rates and lower adult educational attainment.** Academically, elementary school children appear to be the most sensitive to residential change as compared with younger, non-school-age children and older children.<sup>9</sup>

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<sup>5</sup> James Krieger and Donna L. Higgins, "Housing and Health: Time Again for Public Health Action," *American Journal of Public Health* 92, no. 5 (May 2002): 758–768.

<sup>6</sup> Erin Berenbaum (Public Health Ontario), *Homelessness and Health Outcomes: What are the Associations? Evidence Brief* (Toronto, ON: Queen's Printer for Ontario; 2019).

<sup>7</sup> Adam Voight, Marybeth Shinn, Maury Nation, "The Longitudinal Effects of Residential Mobility on the Academic Achievement of Urban Elementary and Middle School Students." *Educational Researcher* 41, No. 9 (2012) 385–392.

<sup>8</sup> Matt Barnes, Sarah Butt, & Wojtek Tomaszewski, "The Duration of Bad Housing and Children's Well-being in Britain," *Housing Studies* 26, No. 1 (2011), 155-176.

<sup>9</sup> Sandstrom, Heather and Sandra Huerta. 2013, *The Negative Effects of Instability on Child Development: A Research Synthesis*, Urban Institute Discussion Paper.

## *Improved Local Economy and Community Vitality*

- Positive local economic outcomes of affordable housing stem from **construction jobs and increased spending** both during construction and after the homes are occupied. Investing in **affordable homes also increases revenues for regions and municipalities**. Some of the most significant sources of revenue during the construction or rehabilitation phase are sales taxes on building materials, corporate taxes on builders' profits, income taxes on construction workers, and fees for zoning, inspections, and the like.<sup>10</sup> When housing is more affordable, families have more income to spend on local goods and services (i.e. increases in consumer spending), which can benefit local businesses.
- **Supportive and non-market housing does not impact property values**. The BC Government sponsored research into the impact of social and special needs housing on their host neighbourhoods in several communities in 1995. This was updated in 1999/2000. The study demonstrated that social housing projects have not had a negative impact on the sale prices of nearby homes based on a comparison with a control area.<sup>11</sup>

A more recent study of 13 non market housing sites by BC Housing found the introduction of non-market housing to an area does not affect residential property values. The study mostly considered permanent supportive housing (6 sites). Two sites provide emergency shelter/transitional housing and five provide low-income/below market. Residential property value trends (sale/assessed values) followed similar trends in comparison to areas surrounding case study sites in almost all locations. This was positive result was true for all sites in the Lower Mainland and Capital Region (2 sites in Vancouver, 3 in Victoria, and 1 each in Coquitlam, Maple Ridge, Chilliwack).<sup>12</sup>

Beyond B.C., numerous studies show that affordable housing has a neutral or positive effect on surrounding property values – more likely beneficial when it is attractively designed, well maintained, replacing blighted properties and located in strong, mixed-use communities.<sup>13</sup>

- Contrary to opinions that subsidized housing will always lead to neighborhood decline and change, research suggests that subsidized housing can often be associated with positive impacts. For example, a study looking at the experience of New York City suggests that well-

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<sup>10</sup> Keith Wardrip, Laura Williams, and Suzanne Hague, *The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of the Literature* (Washington D.C.: Center for Housing Policy, January 2011).

<sup>11</sup> Ministry of Social Development and Economic Security, *Impact of Non-Market Housing on Property Values* (Victoria, B.C.: Government of British Columbia, 2000).

<sup>12</sup> BC Housing Research Centre, *Exploring Impacts of Non-Market Housing on Surrounding Property Values* (Burnaby: BC Housing, January 2020).

<sup>13</sup> Center for Housing Policy. *Don't Put It Here! Does Affordable Housing Cause Nearby Property Values to Decline?* (Washington, D.C. Center for Housing Policy, February 2009).

designed, well-managed projects built on distressed sites played an **important role in helping to revitalize a community**.<sup>14</sup>

- The Wellesley Institute explored the impact of two supportive housing facilities in Toronto, Ontario on the surrounding neighbourhood through a community-based research process that brought together supportive housing residents, housing providers and their neighbours. They used public data to show that **supportive housing does not hurt property values or increase crime**. But their interviews go further, to show that **supportive housing tenants make important contributions to the strength of their neighbourhoods**.<sup>15</sup>

### *Costs of Homelessness and Poverty (that could be avoided)*

- **Simply responding to demands of a person who is homeless costs taxpayers on average \$55,000 in local and regional resources – compared with \$37,000 to house that person.** This equates to about \$7 billion annually in Canada, or \$200 million for the Metro Vancouver region.<sup>16</sup>
- For an individual who is particularly **‘hard-to-house’ with complex issues, annual costs incurred while homeless averaged \$53,144 per person.** This is based on 937 participants in 5 Canadian cities. Once placed and support using a **Housing First Model, the cost to taxpayers declined to an average of \$22,257**.<sup>17</sup>
- A 2011 study by the Canadian Centre for Policy Alternatives quantified the societal resources devoted to tackling health and crime-related costs of poverty, as well as the economic value of foregone economic activity and lower productivity that are associated with poverty.<sup>18</sup> The study estimated that **poverty costs BC between \$8.1 and \$9.2 billion annually**.

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<sup>14</sup> Ingrid Gould Ellen, *Spillovers and Subsidized Housing: The Impact of Subsidized Rental Housing on Neighborhoods* (Cambridge, MA: Joint Center for Housing Studies at Harvard University, March 2007).

<sup>15</sup> Alice de Wolff, *We Are Neighbours: The Impact of Supportive Housing on Community, Social, Economic and Attitude Changes* (Toronto, ON: The Wellesley Institute, 2008).

<sup>16</sup> Cascadia Strategy Consulting Partners; based on Preliminary Evidence Review: Benefits of Supportive Housing Initiatives, Fraser Health (2015) cited in: Metro Vancouver, *Addressing Homelessness in the Metro Vancouver Region* (Burnaby: Metro Vancouver, February 24, 2017).

<sup>17</sup> E.A. Latimer, et.al. “Costs of services for Homeless People with Mental Illness in 5 Canadian Cities: A Large Prospective Follow-Up Study,” *CMAJ Open* 5, no. 3 (July 2017): E576-E585.

<sup>18</sup> Igluka Ivanova, *The Cost of Poverty in BC* (Vancouver, BC: Canadian Centre for Policy Alternatives, July 2011).

In addition to the broad costs noted above, the following specific costs may be helpful to describe, depending on the particular population and situation of the clients that you are supporting:

Table 1.

Outcome	Cost	What this cost represents	Reference
Increased overall wellbeing, including positive changes in physical and mental health	\$ 21,401	Intangible cost based on wellbeing valuation: Rough sleeping to secure (Single person)	Fujiwara & Vine, 2015
	\$ 24,257	Wellbeing valuation: Personal value of addressing drug and alcohol problems	Fujiwara & Vine, 2015
	\$ 30,338	Intangible cost based on wellbeing valuation: Rough sleeping to secure (Family)	Fujiwara & Vine, 2015
Increased social support, socialization, and sense of community (decreased social isolation)	\$ 4,511	Wellbeing valuation: Talking to neighbours regularly	Trotter, Vine & Fujiwara, 2015
Increased safety, decreased experiences of violence (including sexual violence)	\$ 11,022	Personal cost of pain and suffering due to assault;	Zhang, 2008
	\$ 99,541	Personal cost of pain and suffering due to sexual assault	Zhang, 2008
Decreased harm from risk involved with street-based sex work	\$ 43,734	Direct and indirect personal cost of involvement in the sex trade	Deriviere, 2005
Increased safety, decreased experiences of violence or abuse	\$ 3,237	Cost of avoiding child abuse	Bowlus, McKenna, Day & Wright, 2003

Outcome	Cost	What this cost represents	Reference
Increased ability to parent with supports and to stay connected or reconnect with family	\$ 3,400	Wellbeing valuation: Ability to stay together as a family	Fujiwara & Vine, 2015
Decreased use of emergency services by single residents (e.g. EMS) Decreased single resident involvement in justice systems	\$ 55,929	Vancouver cost of homelessness (including health & social services, emergency department, visits to community health centres, justice services, police contacts, etc.)	Stergiopoulos et al., 2015
Completing high school education	\$ 8,875	Public costs of dropping out of high school	Hankivsky, O. 2008
Decreased service use related to substance misuse by residents	\$ 45,720	Cost of substance abuse per person	Rehm, J. et al., 2006
Decreased child welfare involvement among resident families	\$ 49,905	Average cost of maintaining a child in foster care or formal kinship care	Zhang, Hoddenbagh, McDonald, & Scrim, 2012
Increased ability to engage in education	\$ 8,875	Personal and intangible value from high school completion	Hankivsky, 2008
Reduced number of evictions	\$ 2,234	Cost of an eviction to renter	CMHC, 2005
	\$ 3,000	Cost of eviction to landlord (social)	CMHC, 2005
	\$ 6,600	Cost of eviction to landlord (private)	CMHC, 2005
	\$ 1,929	Monthly costs if evicted tenant homeless	Malhotra, 2015

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