



# The value of a social tenancy

Updating and developing the model in 2024





## The need for more social housing

**A shortage of social homes is driving the housing crisis and costing public services and the economy billions of pounds every year.**

Along with a failure to build enough new social homes, private sector rents are rising and housing waiting lists continue to lengthen. People are being forced into temporary accommodation, costing local authorities hundreds of millions of pounds a year, are having to privately-rent expensive, poor quality homes, to move back in with their families or become homeless.

The significant impacts on the lives of people without a stable and affordable place to live – as well as the knock-on effects on wider society and the economy – means the need to evidence the impact of social housing is as great as it's ever been.

The Value of a Social Tenancy (VoST), developed by the Hyde Group and Sonnet Impact in 2018, set out to do just that. While VoST's underlying financial data has been updated annually since 2018, the stories of tenants – the foundation of the model – needed updating, particularly in light of COVID and the cost of living crisis.

This is a summary of *The value of a social tenancy: updating and developing the model in 2024*, by Clifford, J, Hulbert, A, and Yeung, D, which can be downloaded from [www.hyde-housing.co.uk](http://www.hyde-housing.co.uk)

It was also felt that VoST would have greater impact if its scope was broadened. So this year, six housing associations – Hyde, A2Dominion, the Guinness Partnership, MTVH, Platform Housing Group and Sovereign Network Group – who together own and manage about 220,000 general needs homes, worked with Sonnet to update the model. The Link Group also provided insight into the lives of Scottish social housing tenants, although its data was not used in modelling.

Last year alone, these housing associations generated £5.2bn of social value, or £23,777 per social tenancy, saving the NHS more than £1bn each year and boosting economic activity by £1.8bn. It's estimated the total value brought by England's social housing sector is at least £77.7bn a year, for 4.2 million social properties.

Research also shows how the vital support given by housing associations, particularly during COVID and the cost-of-living crisis, has widened the gap between those living in social housing, and those living in other situations.

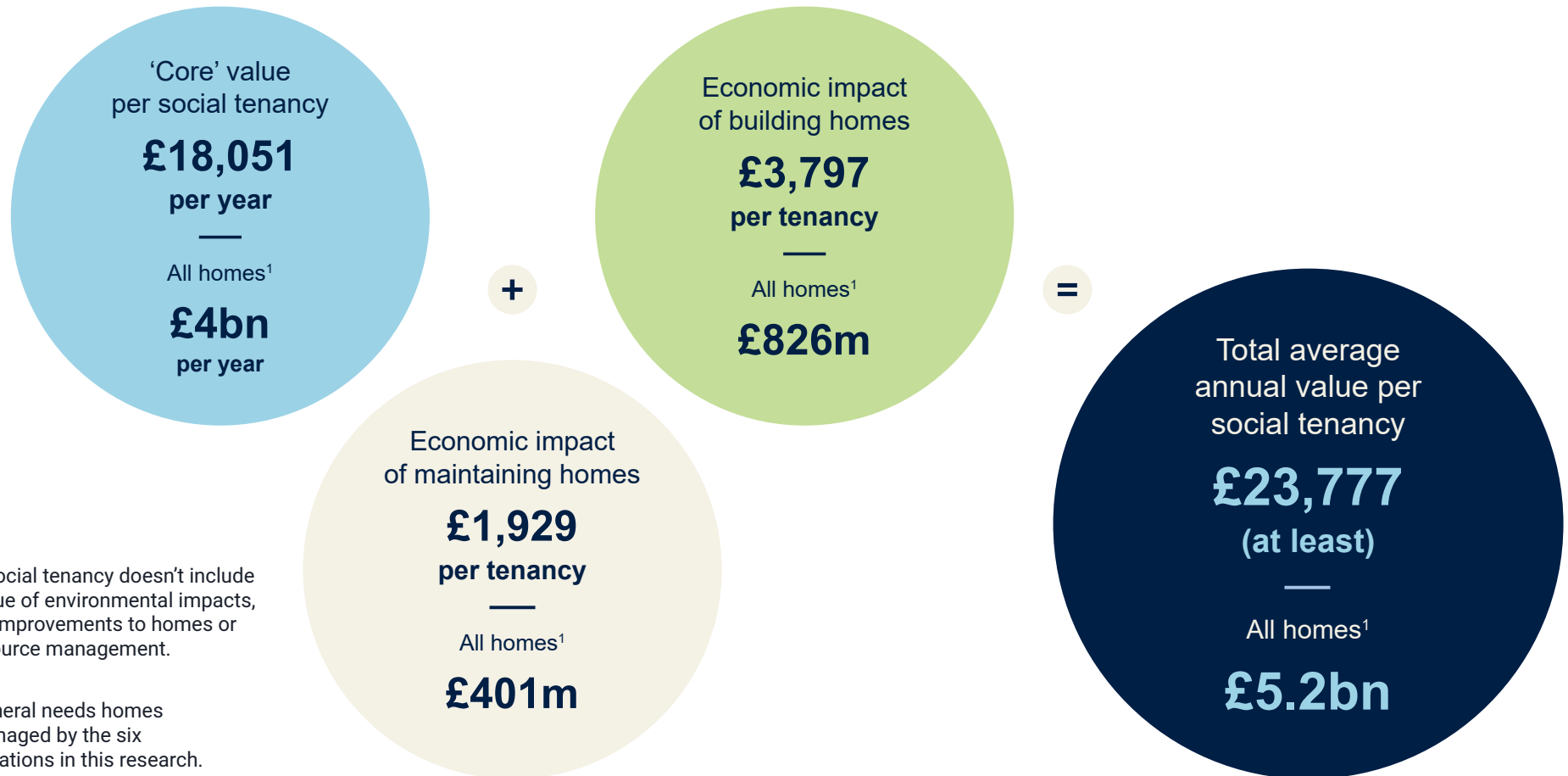
It's also identified new challenges for individuals, including in-work poverty and the impact of digital exclusion, and shows that in some areas, key workers are being priced out of the housing market, with an impact on critical services.

With growing demand for social housing, and dwindling supply, the latest VoST research shows why a clear, long-term plan for affordable housing is so important.

# The value of the social tenancies of the six participating housing associations

The value housing associations deliver goes beyond just building and maintaining affordable homes; they create safe and sustainable communities, provide individual services to residents, support (and invest in) community partners and initiatives, and help reduce the burden on local authorities, emergency services and the NHS.

The support systems housing associations provide can give a stable foundation to improve someone's life in all aspects, including their finances, their physical and mental health, their relationships with others and their purpose in life. This delivers significant, long term, socio-economic benefits.



The value of a social tenancy doesn't include the financial value of environmental impacts, such as energy improvements to homes or sustainable resource management.

<sup>1</sup> All 220,000 general needs homes owned and managed by the six housing associations in this research.

# The wider benefits of the six participating housing associations' social tenancies

The importance of social housing is demonstrated by the direct benefit of social tenancies to the economy and a number of different public sector bodies. The benefits are calculated by comparing the lives of people with social tenancies with their situation if they were living in temporary accommodation, in low-cost private rental homes, or with family and friends. The £4bn in social impact from the six housing associations in this research (excluding the impact of building and maintaining homes) is shown in the following table.

<b>Economy</b>	<b>£1.8bn</b>	<ul style="list-style-type: none"> <li>• 76,555 more adults were in work through the stability of social housing situations, generating £1.7bn</li> <li>• Social tenancies reduce presenteeism, valued at £22.2m</li> <li>• Social tenancies halve absenteeism to 10 days a year, valued at £106.0m.</li> </ul>
<b>NHS</b>	<b>£1bn</b>	<p>People living in social housing have improved physical and mental wellbeing, resulting in:</p> <ul style="list-style-type: none"> <li>• Fewer drug and alcohol issues, saving £48.2m and £88.1m, respectively</li> <li>• Fewer falls for the elderly, saving £10.5m</li> <li>• Reduced incidence of childhood asthma due to damp living conditions, saving £2.4m</li> <li>• Fewer GP and A&amp;E visits, saving £47.9m and £829.4m, respectively.</li> </ul>
<b>Police and Justice</b>	<b>£500m</b>	<p>People living in social housing are less likely to be involved in, or be victims of crime. This:</p> <ul style="list-style-type: none"> <li>• Reduces the number of police callouts not resulting in an arrest, saving £56.2m</li> <li>• Results in 63,889 fewer incidents, saving £441.2m.</li> </ul>
<b>Local Authority</b>	<b>£450m</b>	<p>Local authority savings are the result of:</p> <ul style="list-style-type: none"> <li>• Moving 52,164 residents out of temporary accommodation, saving £364m</li> <li>• Helping the elderly stay independent for longer, delaying a move into residential care, saving £50.7m</li> <li>• Children living in social housing being less likely to be on the Child Protection, saving £10.5m.</li> </ul>
<b>Education</b>	<b>£140m</b>	Children living in social housing are more likely to attend school and have improved earning potential.
<b>DWP</b>	<b>£130m</b>	People living in social housing are more likely to be employed, reducing Universal Credit claims.
<b>Banks and Creditors</b>	<b>£15m</b>	People living in social housing are less likely to have problem debt.
<b>Fire Service</b>	<b>£14m</b>	Secure, safe and high quality social housing (along with housing association support) reduces the risk of domestic fires.

# Understanding social tenants' stories

Understanding social tenants' lives and experiences is at the heart of the VoST model.

Their stories, plus data from the housing associations and publicly-available data, are used to place tenants in one of three 'storylines': thriving, managing and struggling. These are compared to three alternatives (living with family and friends, living in low-cost private rented homes and living in temporary accommodation), representing where people come from before becoming a social tenant.

The blue bars in the diagram represent the range of wellbeing, for a typical tenant in that category (on a scale of 0-5), under each of the five pillars. The red arrow indicates the average level of wellbeing.

This gives a clear picture of the positive outcomes social tenancies have on people's lives, and the economic impact of their tenancies.

It also confirms that social housing tenants come from all walks of life and circumstances.



## Thriving

**Social tenants who are generating the greatest value and are comparable in many respects to national averages across the five pillars of wellbeing.**

Some may be doing better financially than peers in other housing situations. Social tenants in this category are able to absorb the increased cost-of-living without huge impact to their savings. Wellbeing factors may include stable employment and children stable in school. They may have chronic health conditions but are seeking help and striving to improve them. They have clear aspirations, hobbies or interests, and are contributing to their community.

## Managing

**Social tenants who may be worse off than average financially.**

They are likely to be in unstable employment or unemployed. They are managing to keep their lives together but it has an impact on their ability to pay rent consistently, afford food and eat well, parent well, and keep on top of money. Financially, they may be juggling bills and likely to be in arrears at periods throughout the year. Their children are more likely to struggle at school and attain less. Poor mental and physical health is starting to have an impact on daily living.

## Struggling

**Social tenants who have one or more of the wellbeing elements impacting on life significantly.**

They may have severe physical or mental health difficulties which impact upon daily living, and which are poorly managed. Their finances may be in extreme difficulties. Their children may be struggling at school and at home. They are likely to be receiving multiple support from their housing association. They may be at risk of eviction, at high risk of crime (as a victim or perpetrator), and regularly call on emergency services.



# The five pillars of wellbeing

The value of a social tenancy is derived from the positive benefits, or outcomes, of living in a social tenancy, using the five pillars of wellbeing.

The pillars are used to analyse the three storylines of social tenants (thriving, managing and struggling), compared with their alternative living situations before they became social tenants (temporary accommodation, in low-cost private rental or living with family and friends).

The outcomes are then given a value, from the perspective of the key stakeholders (p4).





# The key principles of social housing

VoST has identified nine key 'principles' of social housing provision that particularly drive value.

'Stable' ('Sustainable' in the original model) is extremely important in delivering value. Offering long-term tenancies brings stability - and provides a positive foundation - to people's lives.

'Digital' has been added to the eight principles in the original VoST model, recognising the increasing importance of digital wellbeing and inclusion to people's lives.



# Positive outcomes for social housing tenants

Social housing delivers positive outcomes for tenants, their communities and wider society.

The latest research identified a number of key positive outcomes through the work of housing associations and their community partners, including helping tenants:

- Into meaningful employment
- To focus on and improve their mental and physical health
- By repairing their homes
- To overcome fuel poverty
- Get better access to benefits, wider public services and living standards
- To develop stronger community access and connections
- To widen their social engagement, hobbies and skills, pride and dignity.

## Key

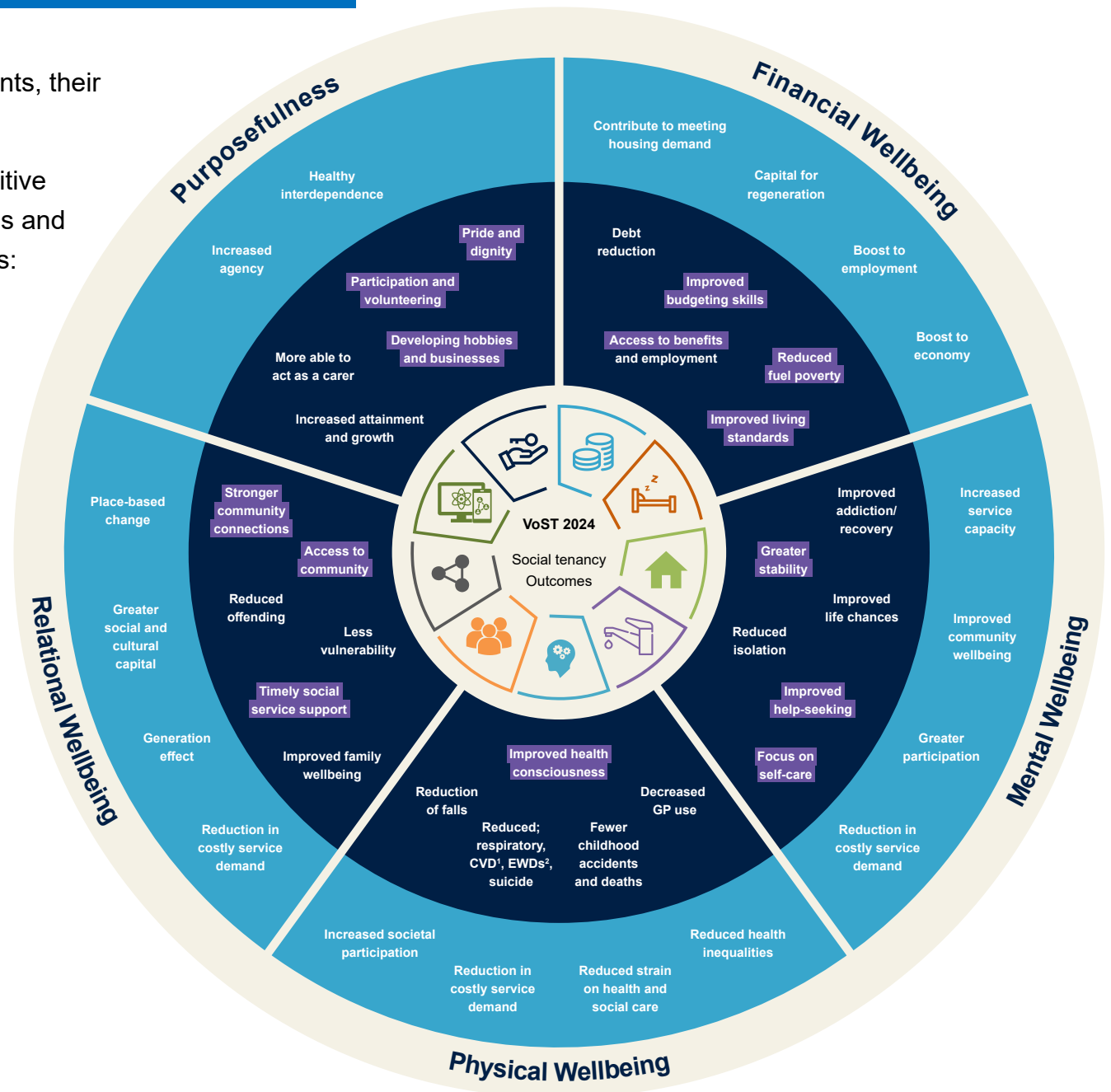
<sup>1</sup> Cardiovascular disease

<sup>2</sup> Excess winter deaths

Individual

Community and society

Outcomes highlighted in research findings due to impacts of COVID-19, cost of living, and energy crisis



# Housing associations: Providing stable foundations for life

**Even before COVID and the cost-of-living crisis, many people were struggling to pay for the basics and were having to choose to heat their homes or put food on the table. As poverty levels deepen, more and more people are having to ask their social landlord for help.**

Housing associations have responded. They increased their financial support to individuals and community partners during COVID and this has continued over the past few years. Funding has helped people buy food and pay their bills, and community organisations have been able to increase and maintain vital services, such as food banks, mental health services and youth support.

Residents also have access to more services online, so they can make payments and complaints, or report repairs. Telephone services, and other methods, have also been maintained, making it easier for those tenants who don't have access to computers or the internet to contact their landlord. Tenants have been given access to computers and training to help reduce digital exclusion, and community partners have strengthened their support to get more people online.

## Lasting impacts of COVID-19 and cost-of-living crisis



Poorer financial wellbeing due to increased rent and bills



Poorer physical health due to fuel poverty, food insecurity and lack of exercise



Poorer mental health due to bereavement, isolation and loneliness, disruptions from schools, increased cost of living



Decreased overall wellbeing due to increased in-work poverty and digital exclusion

## Housing association responses



Maintained affordable rent and quality housing



Increased internal support funds and advice services



Strengthened liaison with community partners to signpost additional support



Provided digital access and training



# An insight into social housing

**Updating VoST with new stories and data from more housing associations has meant the model better-reflects the impact social housing has on individuals, society and the economy.**

This new analysis shows a widening of the gap between those with social housing and those without, reflected in the value of a social tenancy increasing since the model was last updated.

Social housing has been a safety net for many during COVID-19 and the cost-of-living crisis, not only in providing stable homes and support, but in giving tenants the opportunity to develop their own coping strategies. More people living in social housing are thriving and managing, while more people living in other situations are struggling.

Unfortunately, a decline in social housing provision has resulted in many people having to live in poor-quality, low cost (but increasingly expensive) private rented homes or temporary accommodation and, in the worst cases, to become homeless.

*“Without social housing, I don’t know where I would be, it’s what’s [allowed me to] keep my independence.”*

**Social housing tenant**

## Emerging challenges

**In-work poverty:** Uncertain employment, zero hours contracts and pay not keeping pace with inflation have meant some of those in work can’t afford to sustain themselves. Social tenancies can help, but it’s still an enormous challenge for many.

**Digital exclusion:** Although digital exclusion has reduced overall, the divide has worsened, with the most vulnerable lagging behind. For the least well-off, lack of access to (and for some, the ability to use) digital communications excludes them support, public services, employment, money management, better priced goods and services, and much more. Social housing counters aspects of these problems, but needs to go further.

**Key worker skills shortages:** A lack of social housing is also likely to create skill shortages in key public and community service roles in some areas, putting services at risk, as key workers are priced out of the market.

## Enabling the whole sector to value its impact

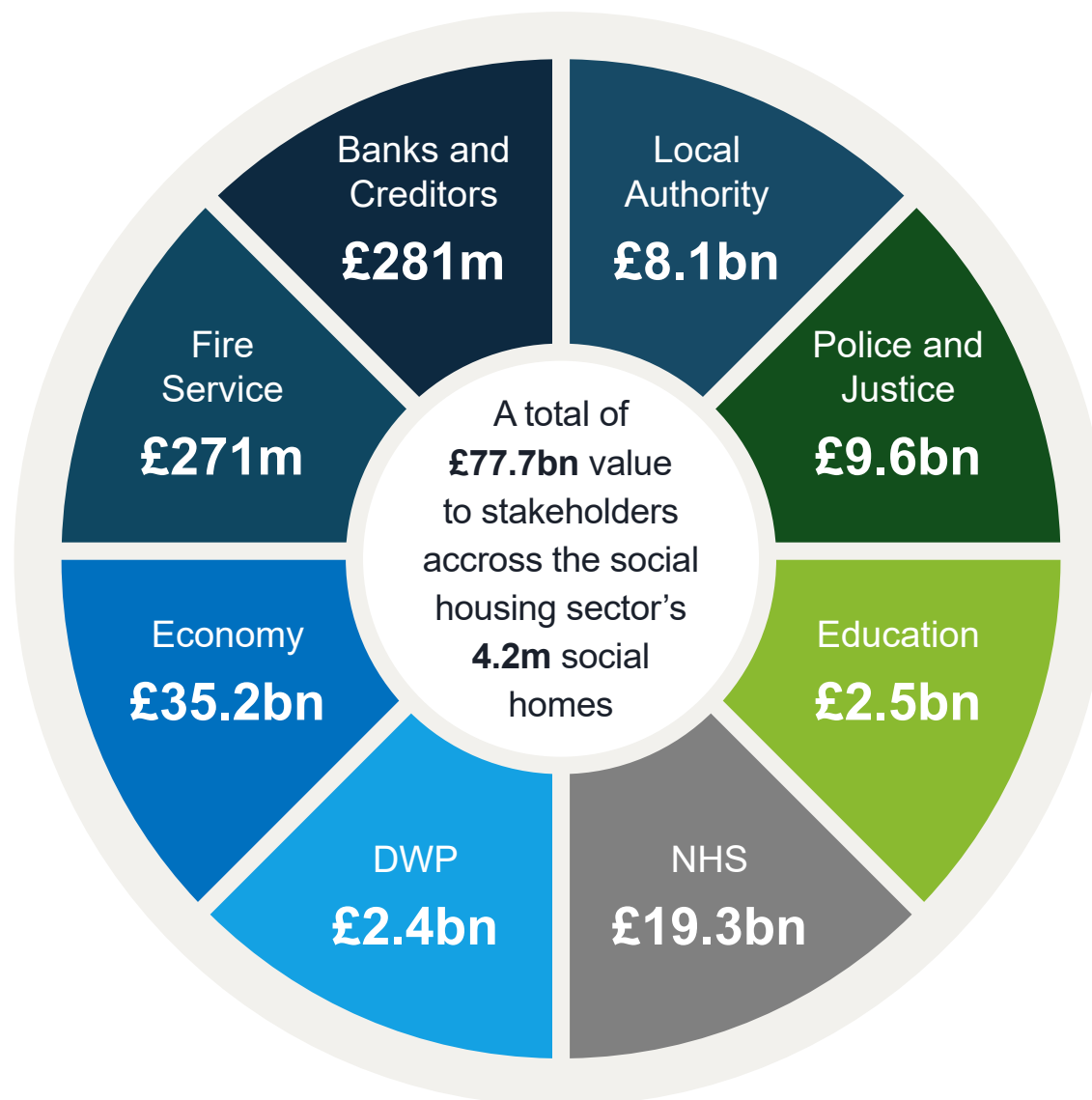
**There's a clear and obvious need for more social housing, not only in providing desperately-needed homes but also, as demonstrated in this latest VoST research, because of the wider value social tenancies bring to the economy and society.**

Extrapolating the results of the six housing associations in this study, it's estimated that the total value brought by England's social housing sector is at least £77.7bn a year for England's 4.2 million social homes, or at least £46.3bn for the 2.5 million homes owned and managed by housing associations.

Unfortunately, this also means that at least £25.25bn of value was missed in 2023/24, from the 1.4 million social homes that have been lost in England since 1979.

A recent report from Shelter and the National Housing Federation calculates that building 90,000 homes would deliver £52.1bn back to the economy over 30 years, largely focusing on the initial value created by building the homes.

The VoST research digs deeper into the annual value brought to tenants, communities and wider stakeholders, on an ongoing basis, by maintaining and operating social tenancies. The two approaches are therefore complementary, each focusing on different drivers of value for the sector, over different time periods.



## Enabling the whole sector to value its impact

It's important that the sector speaks out on the core role it plays in society and the economy, and VoST is a highly-regarded way of doing this. This expanded approach has already enabled more housing associations to understand and demonstrate the value they bring through their social tenancies and associated services, and will help them influence others, and to aid decision-making.

The results of this research will:

- Evidence the sector's vital role in providing affordable housing and in helping society's most vulnerable
- Help social housing providers engage with central and local government, funders, development partners and other stakeholders, to gain support for social housing
- Create an opportunity to influence the political agenda, specifically about the need to build more affordable homes.

But a sector-wide approach is needed, to drive positive sentiment towards the sector and greater recognition of the key role it plays. That's why Sonnet and Hyde have been working with HACT to make VoST more widely available through HACT's web-based platform.

Putting a nationwide value on the impact of social homes will support the argument for a clear, long-term plan for affordable housing, including reinstating rent convergence; having a ten-year index-linked rent settlement for social housing providers and having a ten-year funding commitment for the Affordable Homes Programme.

This will help deliver public funding and unlock private investment to build the thousands of affordable homes the country desperately needs, benefiting millions of people, their communities and society as a whole.

*"I've always been able to pay my rent. As long as I pay my rent, I know I have a secure home. When I think that people have to move because their landlord wants to sell... I don't have that worry."*

**Social housing tenant**

To find out more about how to get involved in this next phase, please email [eleanor.lindsay@hyde-housing.co.uk](mailto:eleanor.lindsay@hyde-housing.co.uk) or [j.clifford@sonnetimpact.co.uk](mailto:j.clifford@sonnetimpact.co.uk)



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**Vistry Group**

The Hyde Group has been providing some of the most affordable homes in London and the southeast for almost 60 years. The group, which is led by a not-for-profit charity, maintains and invests in the homes it provides, and builds genuinely affordable homes.

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