

Social Return on Investment (SROI) of Affordable Rental Housing

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Today's Discussion

- Overview of Social Return on Investment (SROI)
- Results of the SROI
- Questions



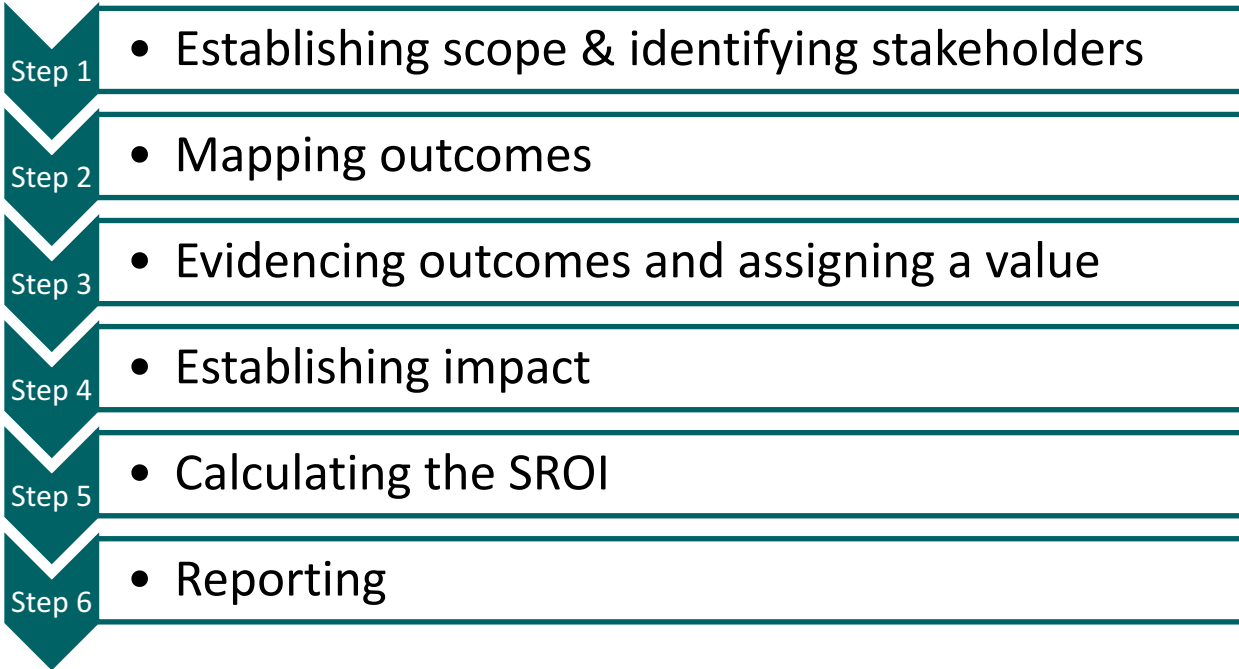
What is SROI?

“SROI measures change in ways that are relevant to the people or organizations that experience or contribute to it. It tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated.”



Nicholls et al. A Guide to Social Return on Investment. (April 2009: Office of the Third Sector):8

Standard Process



January 2012

A guide to Social Return on Investment

U.S. Edition

The SROI Network
Accounting for Value



The SROI Ratio

$$\text{SROI Ratio} = \frac{\text{Total value of outcomes}}{\text{Total investment}}$$

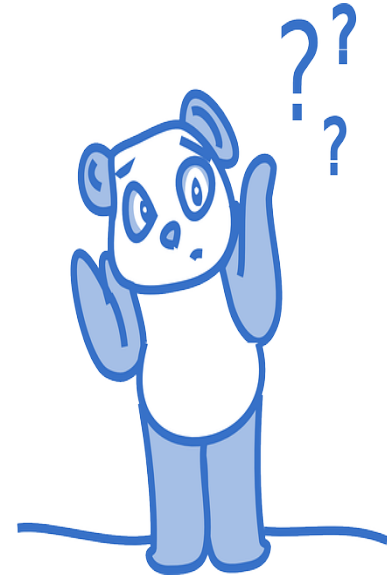
Expressed as 1:XX

For every dollar invested \$XX is created in social and economic value



How is SROI Used?

- To understand and quantify social value
- To provide a common language
- To forecast potential value from initiatives
- To make a business case for investment



Why We Did This Study

- Is affordable rental housing a good investment?
- Expand knowledge base



What Did We Do?

- Investments through BC Housing's Community Partnership Initiative
- Identified four affordable rental projects
- Engaged Consultant
- October 2015-September 2016



Affordable Rental Projects

	Dahli Place	Pembroke Mews	Qualicum Park Village	Ellendale
Location	Victoria	Victoria	Qualicum Beach	Surrey
Units	68	25	34	22
Target population	Working individuals & families	Working single persons	Seniors, families, persons with disabilities	Women in addictions treatment
Investment Type	New construction	Redevelopment	New construction	Building purchase & reno

Step 1

- Establishing scope & identifying stakeholders

- Total capital investment (CPI + other)
- Construction & ongoing (30yrs)
- Identified stakeholders
- Privacy impact assessment
- Designed survey and interview guides

Step 2

- Mapping outcomes

Stakeholder	Outcome	
Tenants	Lower utility costs More disposable income Increased well-being	Housing stability Social connections Increased safety
Local businesses	Increased employment during construction Increased local spending by tenants	
Staff	Employment during construction/ongoing maintenance	
Governments	Local permits and taxes	

Step 3

••Evidencing outcomes and assigning a value

Outcome	Indicator	Quantity	Duration	Financial Proxy	Value/yr
More disposable income	# tenants paying less rent	29	30	Rent compared to market	\$1,200
Increased local spending	# jobs created	20	30	Median income	\$84,500
Increased revenue	Property taxes	1	30	Taxes paid	\$74,194

SROI Results

	Dahli Place	Pembroke Mews	Qualicum Park Village	Ellendale
Total Capital Investment	\$13.2 million	\$4.2 million	\$5.3 million	\$1.7 million
SROI	1:1.96	1:2.37	1:2.18	1:3.22

- For every dollar invested in supporting affordable rental housing through CPI, **between two and three dollars is created in social and economic value** for individuals, governments and communities.

SROI Results

Immediate Value – during construction	Ongoing Value Created Each Year (over 30 years)
<ul style="list-style-type: none">• Job creation• Increased local spending• Revenue from local permits, taxes• Employment during construction	<ul style="list-style-type: none">• Increased disposal income for tenants• Increased local spending• Improved well-being• Housing stability• Improved social connections• Healthier living conditions• Reduced transportation costs• Improved safety• Employment (e.g. building maintenance)• Increased tax revenue



What Does This Mean?

- Investing in affordable rental housing generates important social and economic returns
- SROI can make a valuable contribution to examine impact and value of affordable housing
- BC Housing will use SROI for other affordable/supportive housing

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**Thank
You!!!**

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