



New tool measures compelling value of social housing

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The compelling value of social and affordable housing can now be quantified, thanks to an Australian first calculator that estimates its wider social, economic and environmental benefit.

According to the SIGMAH calculator (Social Infrastructure and Green Measures for Affordable Housing) the 40,000 social and affordable homes to be supported under the Commonwealth's National Housing Accord and Housing Australia Future Fund over the next five years will create an additional \$4.4 billion worth of wider benefit over the next four decades.

That is over and above the appreciating value of the underlying assets. Once constructed, the dwellings built under the Housing Accord and Housing Australia Future Fund will deliver around \$16.2 billion in cost of living relief, primarily through lower rental costs compared to equivalent rentals in the private sector.

The SIGMAH calculator provides government, community housing organisations and the broader social and affordable housing sector with a robust tool to estimate Wider Social and Economic Benefits (WSEB). This allows decision makers to understand how much less public expenditure a government will incur from areas such as health, policing, and community services by making homes available to those who need them. The calculator also estimates private benefits such as higher consumption, income and educational attainment.

It also provides monetary estimates of Greenhouse Gas (GHG) and environmental benefits from provision of green spaces, dwelling designs and access to transport options and measures the dollar value of lower CO2 estimates due to the energy performance of new dwellings.

Community Housing Industry Association CEO, Wendy Hayhurst, said the world-first initiative was powerful and innovative. "For the first time we can quantify the transformative impact social and affordable housing has, not just for the individual but for society more broadly.

"Everybody wants to create resilient, sustainable communities. The SIGMAH calculator will provide the evidence base builders, policymakers, and community housing organisations need to recognize the broad and deep benefits of social and affordable housing. This is the data we need to build a more inclusive, clean energy future.

"The tangible, economic and environmental benefits of well-designed and strategically located social and affordable housing are known to those who experience them, but now they can be demonstrated more broadly."

The tool was developed by Associate Professor Christian Nygaard (Centre for Urban Transitions) and Dr Trevor Kollmann (Centre for Transformative Innovation), both at Swinburne University of Technology. It



builds on research measuring the potential public sector cost offsets associated with providing secure housing for people experiencing complex and long-term homelessness.

“The evidence shows that secure, appropriate and affordable housing is a centrepiece of a healthy community,” Dr Nygaard said. “Rather than simply assert that, we wanted to quantify it. We strived to provide a tool that will provide the evidence base for housing solutions that foster social stability, wellbeing and environmental progress.”

Lord Mayor’s Charitable Foundation was the major donor to the calculator and has a long-standing commitment to affordable housing. Erin Dolan, Senior Program Manager Homelessness and Affordable Housing, said: “Funding the SIGMAH calculator was an important project that strengthened the Foundation’s commitment to increasing the supply of safe, secure and affordable housing across the community. SIGMAH provides the data and technology needed to show the extended impact of what quality affordable housing brings to the community.”

The National Housing Finance and Investment Corporation also provided a capacity grant which supported the project.

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