Final report

Financial & social impact of Homelessness Property Funds

Prepared for Big Society Capital **March 2024**

alma economics

About the authors

alma economics

Alma Economics combines unparalleled analytical expertise with the ability to communicate complex ideas clearly.

www.almaeconomics.com

About the commissioning organisation

BIG SOCIETY CAPITAL

Big Society Capital commissioned this research to assess and quantify the financial and non-financial impacts of the Resonance Homelessness Property Funds.
The authors alone are responsible for the views expressed in this report, which do not necessarily represent the views, decisions, or policies of the institutions with which they are affiliated.

bigsocietycapital.com

Table of Contents

Executive Summary

The Resonance Homelessness Property Funds (RHPF) are social impact investment funds run by impact fund manager Resonance Limited (Resonance), offering homes to individuals experiencing a housing crisis.[1] These funds acquire properties, refurbish them, and then leases them to partners, including homelessness charities and housing associations, who, in turn, lease them to households that are statutory homeless. As of March 2023, the five RHPF have collectively raised a total of £293 million and housed 3,367 people since 2013. The first fund, Real Lettings Property Fund 1 launched in 2013, secured £57 million in capital, while the current fund, National Homelessness Property Fund 2 (NHPF2), launched in 2020, has raised £76 million and has a fundraising target of £300 million by the end of 2024. This capital has enabled the funds to acquire over 1,000 properties to date.

People experiencing homelessness across the UK often reside in temporary accommodation (TA) or sleep rough due to a shortage of affordable private rented housing and/or facing crises. TA is often of low quality and imposes a high cost on local authorities (LAs). In 2022/23, LAs in England spent £1.7 billion on TA, with one-third of the total spent on emergency B&Bs and hostels (£565 million) which are often considered the worst accommodation for families with children (Shelter, 2023).

Alma Economics was commissioned by Big Society Capital, one of the UK's largest social impact investors, to assess and quantify the financial and non-financial impact of the RHPF.

In total, we estimated that with the current £293m capital invested in the homes and alongside support services provided to tenants, RHPF will have generated at least £312 million in public financial savings and £143 million in wellbeing benefits over the funds' life (2013-2035), totalling £455 million in social value. This implies that for every pound invested by a mix of public and private investors over the lifetime of the funds, the funds will not only have aimed to repay the investors but also generated £1.55 in financial and social value. The total financial and social value could grow to £872 million if the current fund, NHPF2, reaches £300 million.

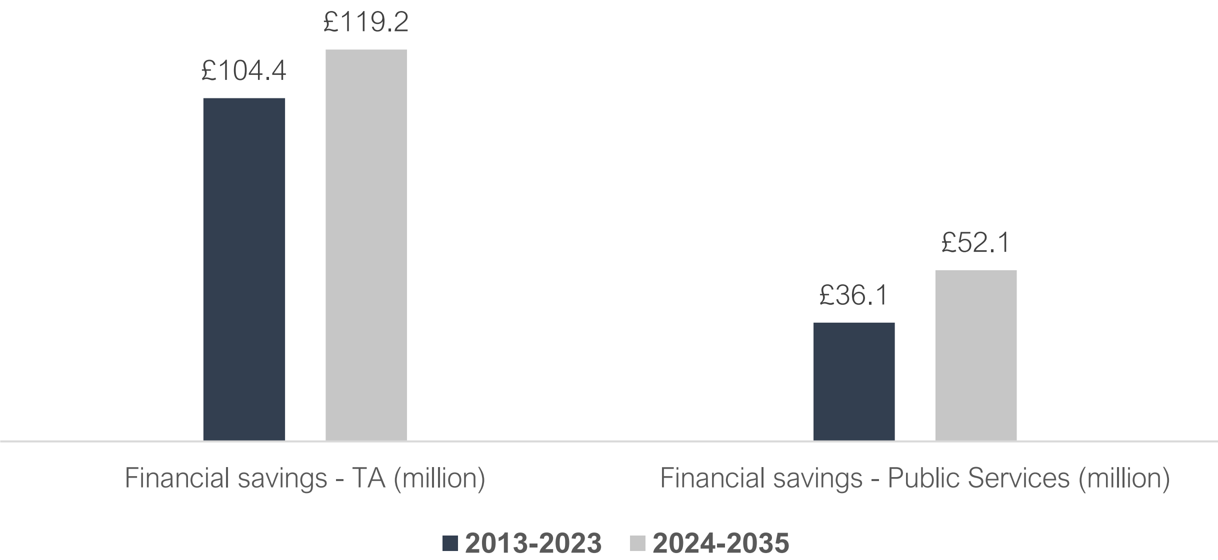
Detailed findings

We estimated that RHPF have saved LAs £104 million in TA costs since the establishment of the first fund in 2013 and are expected to save an additional £119 million between 2024 and 2035[2], which could grow to £310 million if the NHPF2 grows from £76 million to £300 million. In addition to the direct financial savings, there are further financial benefits for the broader public sector. Previous research suggests that individuals experiencing homelessness are more prone to suffer from physical and mental health issues and substance misuse and are more likely to interact with the criminal justice system, leading to increased costs for public services. We have estimated an additional £36 million in savings for the public sector (2013-2023) resulting from reduced costs in healthcare, mental health services, and interactions with the criminal justice system. This is expected to grow to between £52 million and £138 million in 2024-2035 (depending on NHPF2 fundraising).

[1] Impact investing is defined as the deployment of funds into investments that intend to generate a positive, measurable social or environmental impact alongside a financial return on investment.

[2] When the last fund will close.

Figure 1. Aggregate financial savings



Besides the financial impacts, RHPF have had a significant impact on household wellbeing. A recent Shelter survey study found that 75% of households in TA live in poor conditions, and more than two thirds of people have inadequate access to basic facilities such as cooking or laundry facilities. In addition, TA is often unstable, with 30% of households in TA having lived in three or more TA places.

In contrast, RHPF provide stable and suitable accommodation to households experiencing homelessness. For instance, 96% of tenants in RHPF accommodation report that the property is in good condition, 97% of tenants report that RHPF housing has had a positive impact on their support network and relationships, and 71% are progressing towards employment with only 5% reporting a negative move-on, and the average length of stay is four years.

We have monetised the wellbeing impact of RHPF using estimates from the literature[3], in accordance with the Green Book guidance. Our estimate indicates a wellbeing impact equivalent to £59 million from 2013 to 2023 and an additional impact of about £84 million from 2024 to 2035, which could grow to £224 million if the NHPF2 grows from £76 million to £300 million. This is an equivalent of £17,523 per person over the last 10 years.

Finally, there is a long-term effect on household welfare associated with the stability provided by RHPF accommodation. Individuals in stable and suitable accommodation are likely to have better opportunities to secure employment, pursue or continue education, and foster relationships that facilitate progress with a potential transformational life-long impact. However, these effects have not been quantified due to the inherent challenges of quantifying such effects.

The financial and non-financial benefits of homelessness funds primarily result from the lack of good quality and affordable TA and the challenges the public sector faces in responding to the increased demand for TA. The RHPF mitigate these public sector challenges by saving taxpayers' money and simultaneously improving people's lives by offering better quality and stable homes.

Based on their experience investing with the government in the Everyone in Initiative[4], Big Society

[3] From Fujiwara and Vine (2015): The Wellbeing Value of Tackling Homelessness: Identifying the impact on life satisfaction using the Journey's Home dataset.

[4] In 2021 and 2022, DLUHC invested £25 million of catalytic capital in 4 homelessness property funds, which leveraged another £138m of investment, that is a 5.5 times multiplier. That delivered1,090 homes. Building on that experience, Big Society Capital believes that there is

Capital believes that with a government investment of £100 million, it could leverage another £650 million from investors into homelessness property funds, to deliver 5,000 homes benefitting 23,750 people at risk of homelessness. This present research shows that, based on the analysis of NHPF2, the current fund, a fund size of £750 million would generate savings of £789 million for LAs on TA costs, £357 million for the public on avoided public services, and additional wellbeing benefits worth £584 million.[5]

potential from the government to invest £100m and leverage in another £650million (6.5 multiplier). This would provide 5,000 homes. We know that the average length of stay in the Resonance Homelessness Property funds is 4 years and that the average number of people per home based on the current number of people in RHPF is 1.9. This means these homes could benefit 12,500 households and 23,750 people.

[5] These estimates are based on multiplying the SROI of NHPF2 to a £750m fund size.

Introduction

Background

The Resonance Homelessness Property Funds (RHPF) are investment funds offering homes for individuals experiencing a housing crisis in the UK. These funds acquire properties, refurbish them, and then lease them to housing partners, including homelessness charities and housing associations, who, in turn, lease them to households that are statutory homeless, along with providing them with support services adapted to their needs to allow them to transition into a more stable life.

Tenants are responsible for paying an affordable rent with a shorthold tenancy which is based on Local Housing Allowance (LHA). These lease payments provide investors with an annual yield, who also benefit from any capital appreciation on the value of the properties. Each fund is set to hold the properties for a period between nine and fifteen years, before selling the properties to pay back investors, with the intention that the properties retain their social impact for tenants. For instance, the Real Lettings Property Fund 1 (RLPF1) recently partially exited in 2023; 74 properties were transferred to NHPF2 and are now managed by Notting Hill Genesis, a London-based Housing Association.

As of March 2023, a total of £293 million has been raised across all five RHPF, with £260 million deployed. This capital has been used by the funds to acquire over 1,000 properties and house 3,367 people since 2013. In 2022, the properties provided housing to 1,155 adults and 937 children. A summary of the five property funds is provided in Table 1 and Appendix A.

Table 1. Resonance homelessness property funds

Funds	Real Lettings Property Fund 1 (RLPF1)	National Homelessness Property Fund 1 (NHPF1)	Real Lettings Property Fund 2 (RLPF2)	Resonance Everyone In (REIF)	National Homelessness Property Fund 2 (NHPF2)[6]	Total
Year launched	2013	2015	2017	2021	2020	-
Exit year	2024	2025	2026	2031	2035	-
Number of properties (2022/ expected total)	259 / 259	229 / 229	335 / 335	53 / 55	208[7] / 371	1,084 / 1,249
Number of adults (2022)	281	291	387	53	143	
Number of children (2022)	308	321	303	0	5	

[6] As of March 2023, NHPF2 was the current fund in deployment with REIF in final stages. All other funds were fully deployed.

[7] Currently, only 88 properties are occupied, reflecting the ongoing deployment of funds and property refurbishment activities. Moreover, additional properties will be acquired using the funds that have not yet been deployed.

Funds	Real Lettings Property Fund 1 (RLPF1)	National Homelessness Property Fund 1 (NHPF1)	Real Lettings Property Fund 2 (RLPF2)	Resonance Everyone In (REIF)	National Homelessness Property Fund 2 (NHPF2)[6]	Total
Property location	London	Bristol, Milton Keynes, and Oxford	London	London	National (to date: Greater Manchester, Merseyside, Bristol, Oxford, and London)	-
Capital raised	£56.8m	£43.6m	£98.5m	£16.5m	£76m	£291.4
Capital deployed	£56.8m	£43.4m	£98.5m	£16m	£45.2m	£259.9[8]

Source: Solutions to homelessness, social impact report 2022/2023, Resonance homelessness property funds; Data provided by Resonance.

[8] This will increase to £293 million by 2035.

This report

Alma Economics was commissioned by Big Society Capital, one of the UK's largest social impact investors, to assess and quantify the financial and non-financial impact of the RHPF.

Three main benefits have been identified and quantified: financial savings to LAs associated with reduced expenditure on TA; public sector savings to the central government related to avoided public service costs of homelessness (e.g., health care, mental health, interaction with the criminal justice system); and wellbeing benefits for tenants who experience significantly improved accommodation compared to TA and/or rough sleeping.

Besides these benefits, there is a long-term effect on household welfare associated with the stability provided by RHPF accommodation. Individuals in stable and suitable accommodation are likely to have better opportunities to secure employment, pursue or continue education, and foster relationships that facilitate progress and potentially life-long stability and wellbeing. However, these effects have not been quantified due to the inherent challenges of quantifying such effects.

The methodology and findings of the analysis are provided in the remainder of this report.

Methodology

The methodology employed in this report comprises three main components:

- Definition of the counterfactual scenario;
- Identification of the key financial and non-financial impacts; and
- Estimation of the impacts.

Counterfactual scenario

The main assumption underpinning the analysis is that RHPF reduce homelessness by providing suitable and stable accommodation to households experiencing homelessness. This is supported by quantitative and qualitative evidence.

The data provided by Resonance on tenants' previous accommodation, as well as our engagement with Resonance and its housing partners, suggest that RHPF provide accommodation for households on either a TA pathway or a rough sleeping pathway. The TA pathway encompasses households already in TA or on a waiting list for such accommodation. Typically, LAs refer households in the TA pathway to Resonance partners when they are unable to offer suitable and/or affordable accommodation. The rough sleeping pathway includes individuals either currently sleeping rough, or at risk of sleeping rough, for example, sofa surfing with friends or family or in emergency accommodation, such as hostels.[9]

In other words, had the RHPF not existed (the counterfactual), the households housed by the RHPF would be either in TA or sleeping rough (or at risk of). This assumption is used to work out the impacts.

Financial and non-financial impacts

Three main impacts have been identified. The first impact involves financial savings to LAs associated with reduced expenditure on TA. Local housing authorities in England have a duty to secure accommodation for unintentionally homeless households in priority need under Part 7 of the Housing Act 1996. In 2022/23, LAs in England spent £1.7 billion on TA, with one-third of the total spent on emergency B&Bs and hostels, £565 million, which are often considered the worst accommodation for families with children.[10] For each household housed by the RHPF, LAs save on TA costs.

The second impact entails financial savings to the central government related to public services, including health care, mental health, and interactions with the criminal justice system. Previous research[11] suggests that people who are homeless are more likely to face mental health and substance misuse issues compared to the rest of the population leading to higher public services costs. A recent study by Shelter[12] found that 66% of people report TA having a negative impact on physical or mental health, and 57% of parents report TA having a negative impact on their children's physical or mental health.

[9] Most of the households in RHPF accommodation are from the TA pathway.

[10] See Shelter (2023).

[11] For example, see this Department for Communities and Local Government study.

[12] See here.

The third impact is associated with the welfare of households. A survey by Shelter[13] found that:

- **TA provided is often unsuitable:** 75% of households in TA live in poor conditions and more than two thirds of people have inadequate access to basic facilities such as cooking or laundry facilities.
- **TA is often unstable:** 30% of households in TA have lived in three or more TA places; one person had moved fourteen times; and 62% of people were given less than 48 hours' notice when they were last moved between TA placements.
- **TA can be far from home area:** 27% of households were placed more than an hour from their previous home; and one in five families with school-age children must travel more than an hour to get to school.

In contrast, a survey conducted by Resonance in 2022/23 suggests that of tenants who responded:

- 96% of tenants in RHPF accommodation report that the property is in good condition;
- 68% of tenants feel positive about the future, with only 8% expressing pessimism; and
- 97% of tenants report that the RHPF property has had a positive impact on their support network and relationships.

Additionally, the average length of stay in RHPF properties is 4 years, indicating positive attitudes towards the RHPF accommodation and aligning with the survey findings.

The difference in conditions and wellbeing reported by households between TA and RHPF suggests that RHPF have a significant positive impact on the welfare of adults and children. This difference in welfare is monetised using the methodology described in the next section.

Besides these impacts, there are long-term effects on household welfare associated with the stability provided by RHPF accommodation. Individuals in stable and suitable accommodation are likely to have better opportunities to secure employment, pursue or continue education, and foster relationships that facilitate progress. In 2023, 71% of the RHPF tenants are either in work (56%) or progressing towards work (15%).[14] In addition, 16% of adult tenants are in education and 8% are in vocational training.

Furthermore, in 2023, there were 82 tenants who moved on to other accommodation, with only 5% of them reporting negative move-ons[15]. The stability afforded by RHPF accommodations not only helps individuals rebuild their lives but also significantly reduces the risk of future homelessness.

The funds provide a home for approximately as many children as adults. Of these children, 94% are aged sixteen and under, 40% are aged under five, 54% are school-aged children and 6% are 17-18 years old. Previous evidence exploring links to the outcomes for children of stable housing shows that children without housing stability are affected in their mental and physical health, educational attainment, and behaviour and have fewer life chances than those who have grown up in a stable, more permanent home. In addition, housing instability is associated with increased prevalence of depression and general anxiety disorder among mothers (Suglia, Duarte and Sandel, 2011). Therefore, the RHPF are making a significant contribution to improving the wellbeing of children.

While these long-term effects are important, they have not been quantified due to inherent methodological challenges.

[13] See here.

[14] Progressing towards work includes tenants who are in education, training and volunteering.

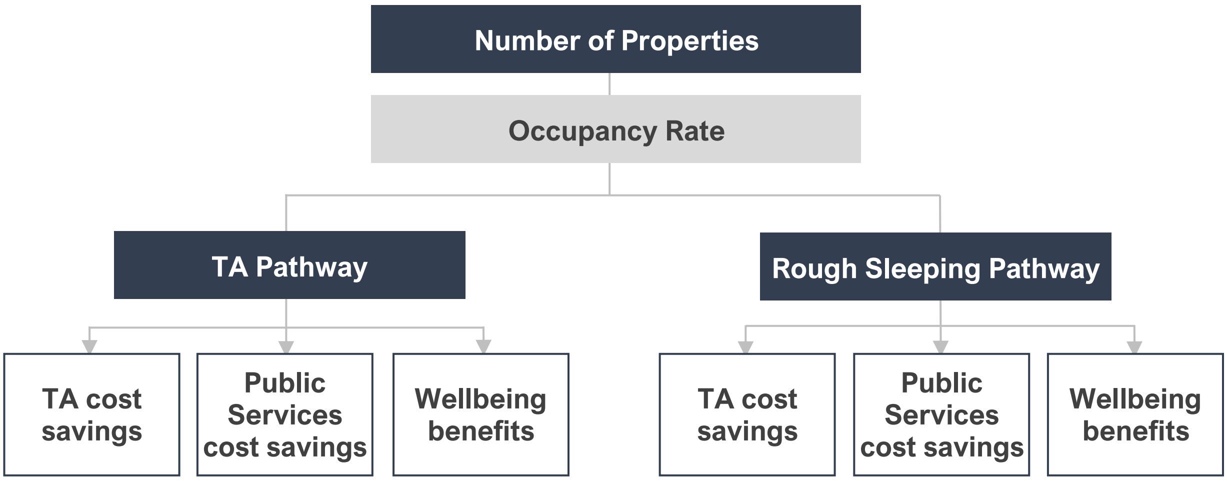
[15] Evictions, prison, shelters, TA and hostels have been counted as 'negative' move-ons.

Estimation

Figure 2 outlines the high-level methodology used to estimate the three main impacts.

By utilising data from Resonance, including information on the total number of properties and 'last accommodation type', we estimated the number of households that avoid TA and rough sleeping through the RHPF. Subsequently, we calculated the average cost saved and wellbeing benefit per household that avoids homelessness through the RHPF, distinguishing between households with and without children. Our estimate of the financial and non-financial impact of the RHPF is derived from combining the number of households avoiding homelessness and the average cost saved or benefit per household avoiding homelessness.

Figure 2. High-level methodology



Temporary Accommodation cost savings

The savings in TA costs are estimated by fund and location, taking into account the variation in accommodation costs across English regions, particularly in London. We have used the average rental price within each region as an approximate to estimate TA costs.[16] This approach is based on the methodology recently applied by Alma Economics in a related analysis for London Councils.[17] The suitability of using average rental prices as a proxy for TA costs was validated by London Councils using a sample of TA cost data from London.

TA cost savings are estimated in the rough sleeping pathway for the following reason: it is assumed that individuals who are in rough sleeping do not remain in that situation indefinitely. For example, data from CHAIN indicates that most rough sleepers spend up to four months in that situation.[18] We assume that each household in the rough sleeping pathway would be in TA 4 months after starting to sleep rough.

[16] Despite TA tending to be more expensive than the average rental price, LAs receive the LHA from tenants, thereby offsetting the difference between market prices and TA costs.

[17] Impact of unfreezing Local Housing Allowance rates in London: https://www.londoncouncils.gov.uk/node/40908.

[18] CHAIN is a multi-agency database commissioned and funded by the Greater London Authority and managed by Homeless Link and offers a comprehensive view of rough sleepers in London. According to the 2022/23 report, out of 10,053 individuals observed facing rough sleeping 78% were seen exclusively in one quarter of the year. The remaining 22% were observed in more than one quarter, with only 3% experiencing rough sleeping were seen throughout the entire year.

Public services cost savings

The cost savings associated with public sector services were obtained from Crisis and Pleace and Culhane (2016). For each household in TA, the public sector incurs an additional £4,322 (2018 prices) per year in TA. If the household has children, an additional £813 (2018 prices) is incurred. For rough sleeping, the additional annual cost associated with public services is £19,708 per year (2016 prices).[19] These estimates are adjusted using the Consumer Price Index.

The costs associated with public sector services outlined above capture short-term costs, that is, they reflect the costs the public sector incurs for each year an individual experiences homelessness. In addition, there are long-term mental health and health care costs associated, for example, with the long-term impact of alcohol and drug misuse and emotional distress, which have not been quantified. Therefore, the public service cost savings reported in this document are likely to significantly underestimate the real cost savings.

Some tenants under the NHPF2 previously on the rough sleeping pathway receive support services through the government's Rough Sleeping Accommodation Programme (RSAP). This expenditure covers the support service cost component of the housing partner, while the rent component is covered through the LHA. This cost has not been factored in this study. It is likely that if these tenants had not been supported by the fund, they might have received some relief support from another partner. The primary savings come from the avoided use of public services, thanks to the homes provided by the funds.

This study only looks at the impacts created by the funds. It is worth noting on the costs side that £16.25 million of the investment funding is coming from public spending from the Department for Levelling Up, Housing and Communities (DLUHC). The RSAP also invested £14.6 million in NHPF2 and REIF, which are repayable investments (rather than one-off government spending).

Wellbeing benefits

To quantify the wellbeing benefits of RHPF, we used the estimates provided by Fujiwara and Vine (2015). Fujiwara and Vine (2015) used survey panel data, tracking individuals over time, and statistical models to quantify the impact of different types of accommodation, including secured housing, TA and rough sleeping, on life satisfaction. They then monetised the life satisfaction increase using the wellbeing valuation approach, an approach consistent with the Green Book guidance.

They estimated the average annual wellbeing effect of moving from:

- TA to secured housing at £8,019 (2014 prices)[20]; and
- Rough sleeping to secured housing at £24,467 (2014 prices).[21]

These estimates are reasonable, considering annual rents and the significance of accommodation for people's wellbeing.

Additional details about the assumptions used for the estimation can be found in Appendix A.

[19] Pleace and Culhane (2016) recorded 90 days of service use by 86 homeless people in York, Birmingham and London and found that the additional, relative to an average individual, annual cost per individual sleeping rough is £1,320 for drug/alcohol services, £2,299 for mental health services, £4,298 for health care, and £11,991 related to interaction with the criminal justice system.

[20] The estimates have been adjusted using the Consumer Price Index.

[21] The impact varies depending on whether the household has dependent children. For adults without dependent children, the annual monetary value of secured housing is £21,401; for households with dependent children, the annual monetary value of secured housing is £30,338.

Results

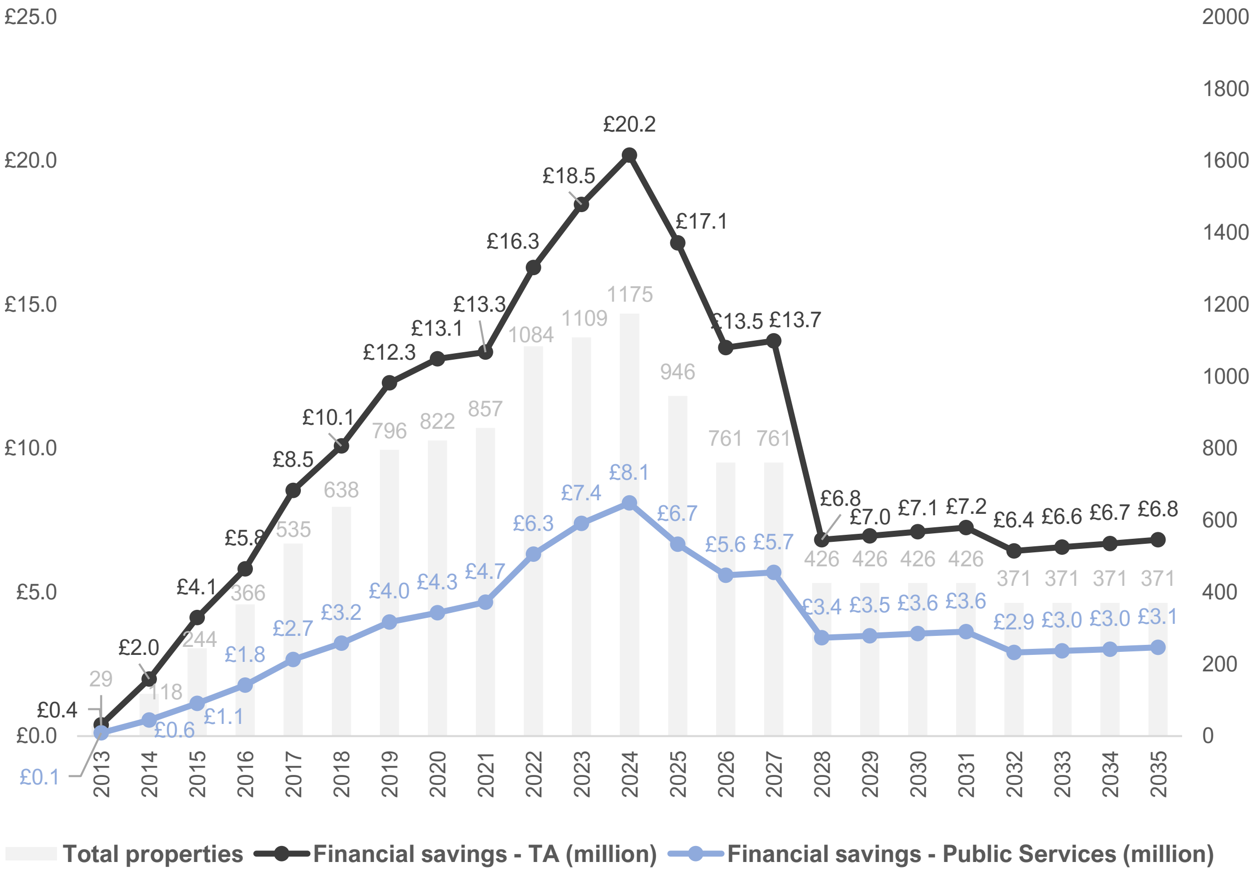
Summary

We estimated that alongside the support services provided to tenants, RHPF will have generated at least £312 million in public financial savings and £143 million in wellbeing benefits over the funds' life (2013-2035), totalling £455 million in financial and social value. This implies that for every pound invested by a mix of public and private investors over the lifetime of the funds, the funds will not only aim to repay the investors but also generate £1.55 in financial and social value. The total financial and social value could grow to £872 million if the current fund, NHPF2, reaches £300 million as planned.

Detailed results

Figures 3 and 4 present estimates of the financial savings of the RHPF from the establishment of RLPF1, the first fund, in 2013. Historical estimates are provided up to 2023 and forecasts are shown for the period between 2024 and 2035.[22] These financial savings are the result of current level of capital raised (£293 million invested in 1,175 properties).

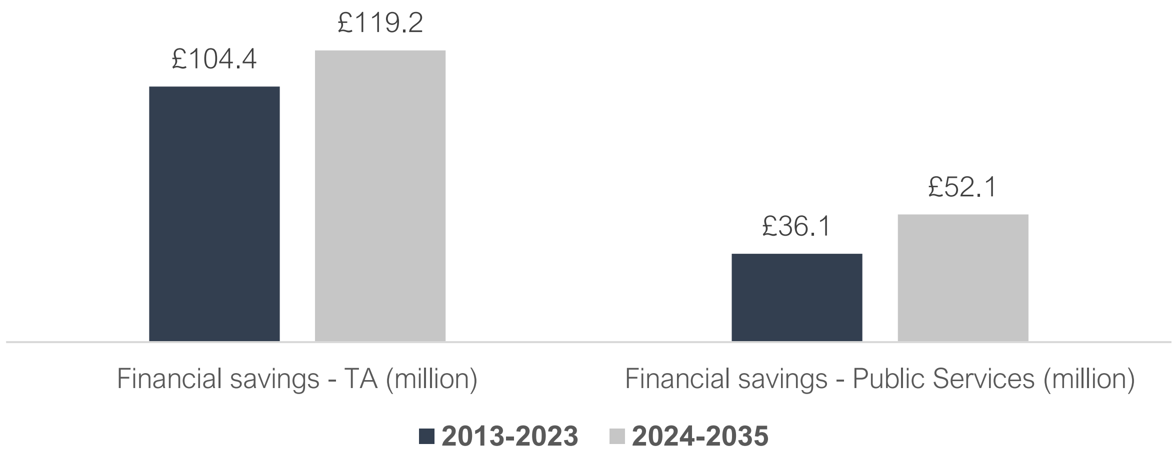
Figure 3. Financial savings over time with current capital raised



Source: Alma Economics.

[22] The forecasts are based on three main assumptions. First, the occupancy rate, and composition of households from 2024 to 2035 remain equal to the 2023 values. Second, the average cost of TA and public services is projected to grow at the annual inflation rate forecasted by the Office for Budget Responsibility. Third, the number of properties varies based on the duration of the funds and deployment of the capital raised.

Figure 4. Aggregate financial and non-financial impacts



Source: Alma Economics.

The variation in financial savings is primarily driven by fluctuations in the Resonance portfolio of properties.[23] Financial savings are anticipated to peak in 2024, coinciding with the year when the number of Resonance properties reaches its highest count. The reduction in the financial savings from 2025 onwards is explained by the fact that three of the earlier funds will gradually exit, transferring the ownership of the properties to pay back investors. However, there is a scenario, examined in the next section, whereby Resonance raises additional funding to maintain and grow the number of properties available.

In 2024, when all funds are fully deployed with current capital raised (£293m), RHPF will save around £20 million in TA costs for LAs. The cumulative savings from 2013 to 2023 total approximately £104 million, with an anticipated additional £119 million from 2024 to 2035.[24]

For 2024, the cost savings linked to public sector services were conservatively estimated at £8.1 million. These savings are projected to reach £52 million over the period from 2024 to 2035.

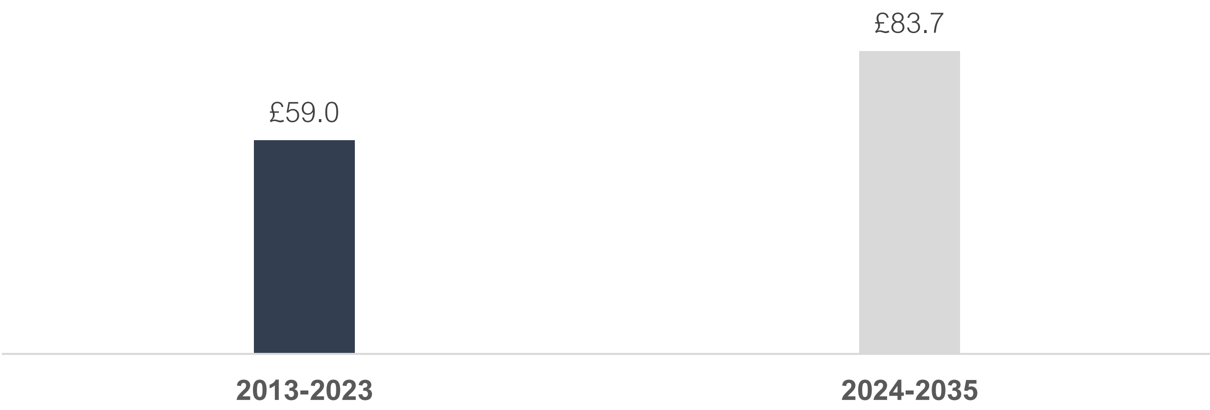
Finally, Figure 5 presents the monetary estimates of the wellbeing effect of the RHPF. Between 2013 and 2023, we estimated the welfare impact of the RHPF to be approximately £59 million, with an expected total of around £84 million over the period from 2024 to 2035. For 2024, the wellbeing benefits will amount to approximately £13 million, which is quite significant compared to the financial savings (also see Figure 6). The significant wellbeing impacts reflect the considerable improvement in housing conditions that the RHPF provides to households.

A breakdown of financial savings and wellbeing benefits by fund and region is provided in Appendix B.

[23] Other factors are variation in occupancy rate and inflation.

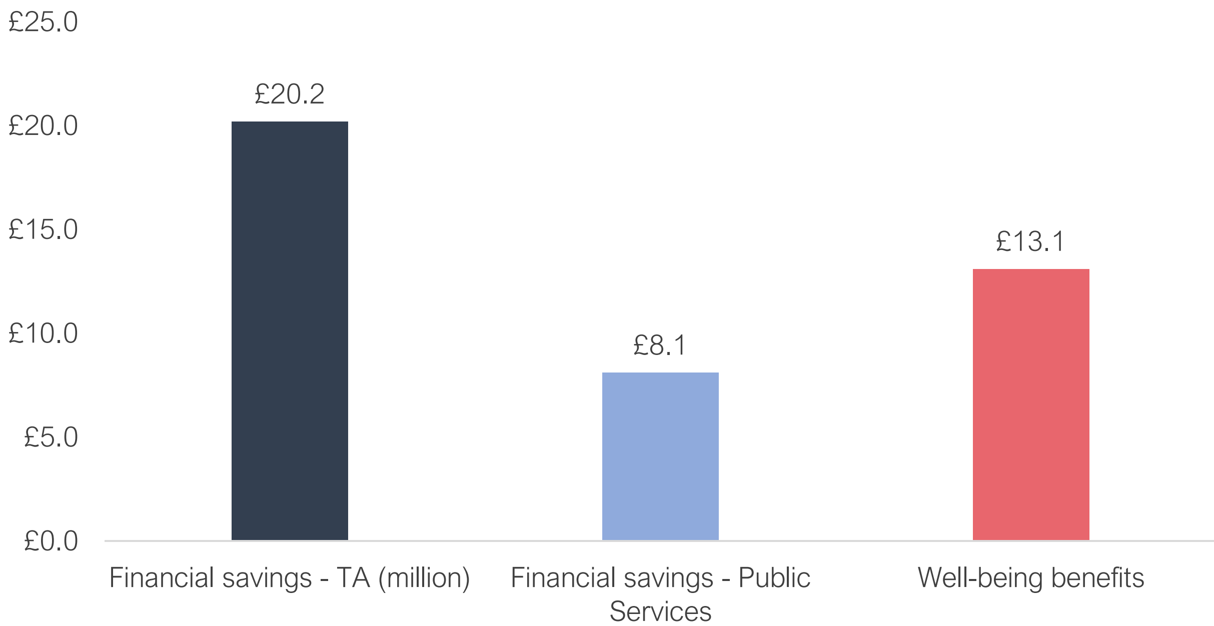
[24] All estimates reflect current prices; for instance, the 2013 estimates are based on 2013 prices, and the 2035 forecasts are based on projected 2035 prices.

Figure 5. Wellbeing impacts (million)



Source: Alma Economics.

Figure 6. Financial and non-financial impacts - year 2024 (million)



Source: Alma Economics.

Alternative scenario: NHPF2 grows to £300 million

Resonance is currently fundraising with the aim of increasing NHPF2 capital from £76 million to £300 million by the end of 2024. If the additional capital is raised, NHPF2 could expand the number of its properties from 371 to 1,500. Under this scenario, we calculated that from 2024 to 2035, the TA cost savings will grow from £119 million to £310 million, public services cost savings will increase from £52 million to £138 million, and wellbeing benefits will rise from £84 million to £224 million.[25]

[25] We assume that Resonance will be able to fully deploy the additional funds within 2026 and that the additional properties will be in the same regions the fund is currently operating. The remaining model parameters remain the same as in the case of the main scenario of 76 million raised.

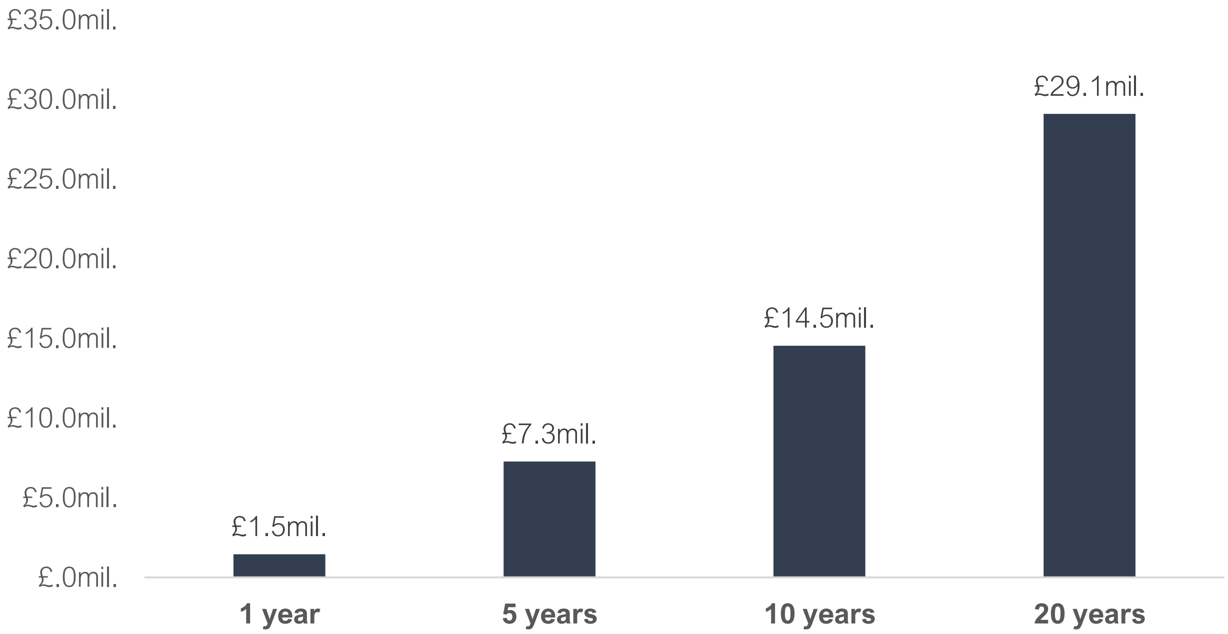
Social return on investment

The financial and non-financial benefits of homelessness funds primarily result from the lack of good quality and affordable TA and the challenges the public sector faces in responding to the increased demand for TA. The RHPF mitigate these public sector challenges by saving taxpayers' money and simultaneously improving people's lives by offering better quality and stable homes.

Taking into account the total funds life (2013-2035), RHPF will have generated at least £312 million in public financial savings and £143 million in wellbeing benefits, totalling £455 million in financial and social value. This implies that for every pound invested by a mix of public and private investors over the lifetime of the funds, the funds will have also generated £1.55 in financial and social value.[26] This breaks down as £0.76 in TA savings, £0.30 in public services savings and £0.49 in wellbeing benefits.

Based on financial savings and wellbeing benefits in the year 2023 only, our calculation shows a social return on investment (SROI) of £1.5 million per £10 million deployed in RHPF annually.[27] Over different timeframes, this translates to £7.3 million over 5 years, £14.5 million over 10 years, and £29.1 million over 20 years (if the homes were to be held for that period, noting that at present the last fund closes in 2035). The SROI per pound of capital deployed is £0.15, £0.73, £1.45, and £2.91 for investment timeframes of 1, 5, 10, and 20 years, respectively.

Figure 7. Social Return on Investment (for 10 million invested)



Source: Alma Economics.

For NHPF2, we estimated the SROI over the lifetime of the fund at £2.31 per pound of capital raised.[28] Specifically, we projected that from its inception in 2021 to completion in 2035, NHPF2 will have

[26] The total SROI of £1.55 is calculated from the inception of the first fund until 2035, computed as total social benefits of £455 million divided by the total capital deployed of £293 million.

[27] The Social Return on Investment is calculated by dividing the annual financial and non-financial benefits (e.g., 18.5 million for one year) by the capital deployed (£259.9 million in 2023). The figures from 2023 have been used for this calculation.

[28] The higher SROI for NHPF2 compared to the SROI for the other funds is explained by differences in location and property costs. NHPF2 focuses primarily outside London where property costs are lower whereas the public service costs and wellbeing benefits are assumed to be the same across regions.

generated £175 million in financial and social value from a capital raised of £76 million.[29] If NHPF2 raises additional funds, reaching £300 million, we anticipate it will create £592 million in financial and social value during the same time period.

[29] The financial and social value is the sum of the £80 million in TA savings, £36.2 million in public service savings, and £59.2 million in wellbeing benefits.

Appendix A

The key assumptions used to estimate the financial savings and wellbeing impacts are summarised below.

	RLPF1	NHPF1	RLPF2	REIF	NHPF2	Other information / Source
Number of properties (2022)	259	229	335	53	208	Resonance
Number of maximum properties with capital raised	259	229	335	55	371	Resonance
Percentage of Households with children	80%	80%	80%	0%	80%	The same percentage is applied across all years; Resonance
Percentage of households in rough sleeping pathway	5%	12%	12%	100%	12%	The same percentage is applied across all years; Resonance
Occupancy rate (2022)	92%	95%	93%	100%	69%[30]	Resonance
Average time in rough sleeping pathway	4 months	4 months	4 months	4 months	4 months	CHAIN; Alma Economics calculations
TA average annual cost per household (2022)[31]	£20,292	£14,554	£20,292	£20,292	£11,896	Average rent of a 2 bed privately rented property; ONS
Average cost of Public Services (TA) – Adults (2018 prices)			£4,322			Assume the same costs by English regions; Crisis
Average cost of Public Services (TA) – Children (2018 prices)			£813			Assume the same costs by English regions; Crisis
Average cost of Public Services (RS) – Children (2016 prices)			£19,708			Assume the same costs by English regions; Pleace and Culhane

[30] The occupancy rate for NHPF2, which was launched in 2020, is relatively low due to ongoing property deployment and refurbishment activities. Consequently, several properties have not yet been handed over tenants. The occupancy rate is assumed to be 95% in the forecasting period, reaching the average rate across the RHPF.

[31] This is average across all regions. The regional-specific costs have been used in the estimations, which have been carried out by fund and region.

	RLPF1	NHPF1	RLPF2	REIF	NHPF2	Other information / Source
						(2016)
Average wellbeing impact from TA (2014 prices)			£8,019			Assume the same costs by English regions; Fujiwara and Vine (2015)
Average wellbeing impact from Rough Sleeping (2014 prices)			£21,401			Assume the same costs by English regions; Fujiwara and Vine (2015)

Appendix B

Tables 2 and 3 below summarise the financial and non-financial benefits by fund and region. Table 2 summarises the results for two time periods: fund inception to 2023 and 2024 to the end of fund life. Table 3 focuses on years 2023 and 2024.

Table 2. Financial and non-financial impacts by fund and region

Financial and non-financial impacts by fund/region						
Temporary Accommodation	**Financial savings - TA (million)**			**Fund inception - exit (year)**	**Capital deployed as of March 2023 / raised (million)**	**Properties acquired as of March 2023 / expected over fund life**
	Fund inception - 2023	2024-Fund exit	Fund inception - Fund exit			
NHPF1	**£20.0**	**£3.4**	**£23.3**	**2015 - 2025**	**£43.4 / £43.6**	**229 / 229**
NHPF1 - Milton Keynes	£4.8	£0.8	£5.6			64
NHPF1- Oxford	£6.6	£1.1	£7.7			67
NHPF1 - Bristol	£8.6	£1.5	£10.0			98
RLPF1 (London)	**£42.9**	**£7.6**	**£50.4**	**2013 - 2024**	**£56.8 / £56.8**	**185 / 185**
RLPF2 (London)	**£33.8**	**£27.5**	**£61.3**	**2017 - 2026**	**£98.5 / £98.5**	**335 / 335**
REIF (London)	**£1.8**	**£7.0**	**£8.8**	**2021 - 2031**	**£16 / £16.5**	**55 / 55**
NHPF2	**£6.1**	**£73.8**	**£79.9**	**2020 - 2035**	**£45.2 / £76.0**	**305 / 371**
NHPF2 - Manchester	£3.2	£28.4	£31.5			168
NHPF2 - Bristol	£0.8	£11.1	£11.9			37
NHPF2 - London	£1.9	£30.3	£32.2			92
NHPF2 - Oxford	£0.3	£4.0	£4.2			9
Total	**£104.4**	**£119.2**	**£223.7**		**£259.9 / £291.4**	**1,109 / 1,175**

Public Services	**Financial savings - Public Services (million)**			**Fund inception - exit (year)**	**Capital deployed as of March 2023 / raised (million)**	**Properties acquired as of March 2023 / expected over fund life**
	Fund inception - 2023	2024- Fund exit	Fund inception - Fund exit			
NHPF1	**£9.1**	**£1.6**	**£10.6**	**2015 - 2025**	**£43.4 / £43.6**	**229 / 229**
NHPF1 - Milton Keynes	£2.5	£0.4	£3.0			64
NHPF1- Oxford	£2.7	£0.5	£3.1			67
NHPF1 - Bristol	£3.9	£0.7	£4.6			98
RLPF1 (London)	**£12.0**	**£2.3**	**£14.3**	**2013 - 2024**	**£56.8 / £56.8**	**185 / 185**
RLPF2 (London)	**£10.6**	**£9.1**	**£19.7**	**2017 - 2026**	**£98.5 / £98.5**	**335 / 335**
REIF (London)	**£1.5**	**£5.9**	**£7.4**	**2021 - 2031**	**£16 / £16.5**	**55 / 55**
NHPF2	**£2.9**	**£33.3**	**£36.2**	**2020 - 2035**	**£45.2 / £76.0**	**305 / 371**
NHPF2 - Manchester	£1.8	£16.6	£18.5			168
NHPF2 - Bristol	£0.4	£5.0	£5.4			37
NHPF2 - London	£0.6	£10.0	£10.6			92
NHPF2 - Oxford	£0.1	£1.7	£1.8			9
Total	**£36.1**	**£52.1**	**£88.2**		**£259.9 / £291.4**	**1,109 / 1,175**

Wellbeing benefits	Wellbeing benefits (million)			Fund inception - exit (year)	Capital deployed as of March 2023 / raised (million)	Properties acquired as of March 2023 / expected over fund life
	Fund inception - 2023	2024- Fund exit	Fund inception - Fund exit			
NHPF1	**£14.8**	**£2.5**	**£17.4**	**2015 - 2025**	**£43.4 / £43.6**	**229 / 229**
NHPF1 - Milton Keynes	£4.2	£0.7	£4.9			64
NHPF1- Oxford	£4.3	£0.7	£5.1			67
NHPF1 - Bristol	£6.3	£1.1	£7.4			98
RLPF1 (London)	£20.0	£3.8	**£23.9**	**2013 - 2024**	**£56.8 / £56.8**	**185 / 185**
RLPF2 (London)	£17.4	£14.9	**£32.2**	**2017 - 2026**	**£98.5 / £98.5**	**335 / 335**
REIF (London)	£2.0	£7.9	**£9.9**	**2021 - 2031**	**£16 / £16.5**	**55 / 55**
NHPF2	**£4.8**	**£54.5**	**£59.2**	**2020 - 2035**	**£45.2 / £76.0**	**305 / 371**
NHPF2 - Manchester	£3.0	£27.2	£30.2			168
NHPF2 - Bristol	£0.6	£8.2	£8.8			37
NHPF2 - London	£1.0	£16.3	£17.3			92
NHPF2 - Oxford	£0.2	£2.7	£2.9			9
Total	**£59.0**	**£83.7**	**£142.7**		**£259.9 / £291.4**	**1,109 / 1,175**

Source: Alma Economics calculations; Resonance; Big Society Capital

Table 3. Financial and non-financial impacts by Fund, region, and year (2023 and 2024)

Financial and non-financial impacts by fund/region					
Temporary Accommodation	**Financial savings - TA (million)**		**Fund inception - exit (year)**	**Capital deployed as of March 2023 / raised (million)**	**Properties acquired as of March 2023 / expected over fund life**
	2023	2024			
NHPF1	**£3.2**	**£3.4**	**2015 - 2025**	**£43.4 / £43.6**	**229 / 229**
NHPF1 - Milton Keynes	£0.8	£0.8			64
NHPF1- Oxford	£1.0	£1.1			67
NHPF1 - Bristol	£1.4	£1.5			98
RLPF1 (London)	£3.6	£3.8	**2013 - 2024**	**£56.8 / £56.8**	**185 / 185**
RLPF2 (London)	£6.5	£6.7	**2017 - 2026**	**£98.5 / £98.5**	**335 / 335**
REIF (London)	£0.8	£0.8	**2021 - 2031**	**£16 / £16.5**	**55 / 55**
NHPF2	**£4.3**	**£5.6**	**2020 - 2035**	**£45.2 / £76.0**	**305 / 371**
NHPF2 - Manchester	£1.9	£2.1			168
NHPF2 - Bristol	£0.5	£0.8			37
NHPF2 - London	£1.8	£2.3			92
NHPF2 - Oxford	£0.1	£0.3			9
Total	**£18.5**	**£20.2**		**£259.9 / £291.4**	**1,109 / 1,175**
Public Services	**Financial savings - Public Services (million)**		**Fund inception - exit (year)**	**Capital deployed as of March 2023 / raised (million)**	**Properties acquired as of March 2023 / expected over fund life**
	2023	2024			
NHPF1	**£1.5**	**£1.6**	**2015 - 2025**	**£43.4 / £43.6**	**229 / 229**
NHPF1 - Milton Keynes	£0.4	£0.4			64
NHPF1- Oxford	£0.4	£0.5			67

NHPF1 - Bristol	£0.6	£0.7			98
RLPF1 (London)	£1.1	£1.1	**2013 - 2024**	**£56.8 / £56.8**	**185 / 185**
RLPF2 (London)	£2.1	£2.2	**2017 - 2026**	**£98.5 / £98.5**	**335 / 335**
REIF (London)	£0.7	£0.7	**2021 - 2031**	**£16 / £16.5**	**55 / 55**
NHPF2	**£2.0**	**£2.5**	**2020 - 2035**	**£45.2 / £76.0**	**305 / 371**
NHPF2 - Manchester	£1.1	£1.3			168
NHPF2 - Bristol	£0.2	£0.4			37
NHPF2 - London	£0.6	£0.8			92
NHPF2 - Oxford	£0.1	£0.1			9
Total	**£7.4**	**£8.1**		**£259.9 / £291.4**	**1,109 / 1,175**

Wellbeing benefits	Wellbeing benefits (million)		Fund inception - exit (year)	Capital deployed as of March 2023 / raised (million)	Properties acquired as of March 2023 / expected over fund life
	2023	2024			
NHPF1	**£2.4**	**£2.5**	**2015 - 2025**	**£43.4 / £43.6**	**229 / 229**
NHPF1 - Milton Keynes	£0.7	£0.7			64
NHPF1- Oxford	£0.7	£0.7			67
NHPF1 - Bristol	£1.0	£1.1			98
RLPF1 (London)	£1.8	£1.9	**2013 - 2024**	**£56.8 / £56.8**	**185 / 185**
RLPF2 (London)	£3.5	£3.6	**2017 - 2026**	**£98.5 / £98.5**	**335 / 335**
REIF (London)	£0.9	£0.9	**2021 - 2031**	**£16 / £16.5**	**55 / 55**
NHPF2	**£3.3**	**£4.1**	**2020 - 2035**	**£45.2 / £76.0**	**305 / 371**
NHPF2 - Manchester	£1.8	£2.0			168
NHPF2 - Bristol	£0.4	£0.6			37
NHPF2 - London	£1.0	£1.2			92
NHPF2 - Oxford	£0.1	£0.2			9

Total	**£11.9**	**£13.1**	**£259.9 / £291.4**	**1,109 / 1,175**

Source: Alma Economics calculations; Resonance; Big Society Capital

Table 4. Total financial and social value

Total financial and social value				
	Financial and social value: Fund inception to fund exit	**Fund inception – exit (year)**	**Capital deployed as of March 2023 / raised (million)**	**Properties acquired as of March 2023 / expected over fund life**
NHPF1	**£51.3**	**2015 – 2025**	**£43.4 / £43.6**	**229 / 229**
NHPF1 – Milton Keynes	£13.4			64
NHPF1- Oxford	£15.9			67
NHPF1 – Bristol	£22.0			98
RLPF1 (London)	**£88.6**	**2013 – 2024**	**£56.8 / £56.8**	**185 / 185**
RLPF2 (London)	**£113.2**	**2017 – 2026**	**£98.5 / £98.5**	**335 / 335**
REIF (London)	**£26.1**	**2021 – 2031**	**£16 / £16.5**	**55 / 55**
NHPF2	**£175.3**	**2020 – 2035**	**£45.2 / £76.0**	**305 / 371**
NHPF2 – Manchester	£80.2			168
NHPF2 – Bristol	£26.0			37
NHPF2 – London	£60.1			92
NHPF2 – Oxford	£8.9			9
Total	**£454.6**		**£259.9 / £291.4**	**1,109 / 1,175**

Source: Alma Economics calculations; Resonance; Big Society Capital

+44 20 8133 3192 43 Tanner Street, SE1 3PL, London, UK
+30 21 2104 7902 Ifigenias 9, 14231, Athens, GR

LinkedIn company/alma-economics X almaeconomics

alma economics