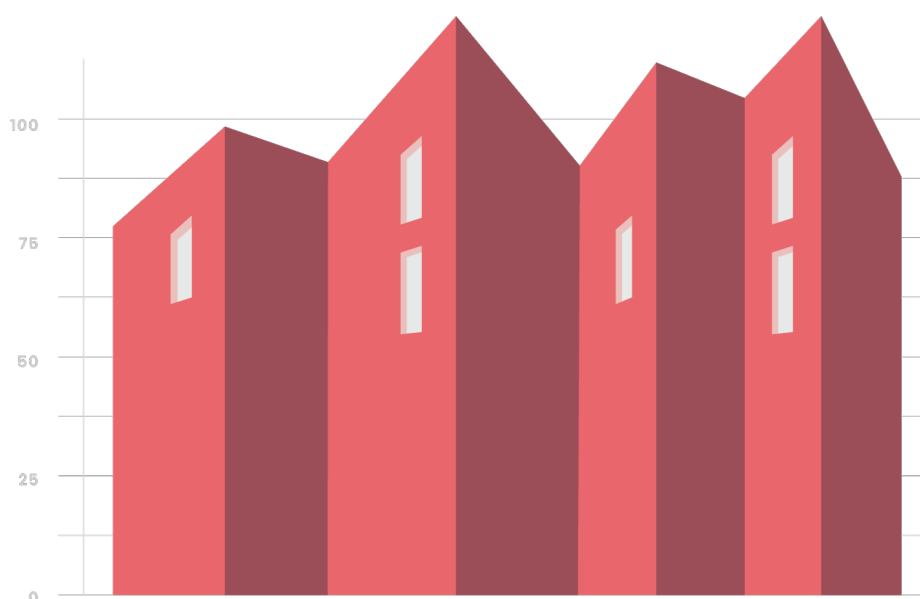
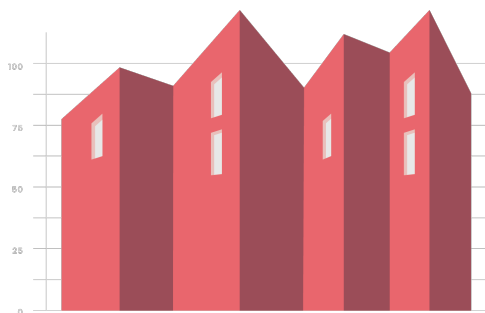


Resonance Homelessness Property Funds: Financial and Social Impact

Prepared for Resonance

January 2026





About the authors



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

www.almaeconomics.com

About the commissioning organisation



Resonance commissioned this research to assess and quantify the financial and non-financial impacts of its Homelessness Property Funds. Resonance is a UK social impact investment company. Its largest funds, the Homelessness Property Funds, have approximately £325 million under management.

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.

<https://resonance.ltd.uk> <https://bigsocietycapital.com/>

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Executive Summary

The Resonance Homelessness Property Funds (RHPF) are social impact investment funds run by impact fund manager Resonance, offering homes to individuals and families experiencing a housing crisis. These funds acquire properties in the heart of local communities, refurbish them, and then lease them to partners, including homelessness charities and housing associations, which, in turn, lease them to households that are homeless or at risk of homelessness.

As of March 2025, Resonance operated five homelessness property funds with properties across London, Bristol, Greater Manchester, Liverpool, Milton Keynes, Oxford, and Gloucestershire. Collectively, these funds owned 1,186 properties and housed 2,324 people, including 1,359 adults and 965 children¹.

In 2024, Alma Economics produced a [report](#) commissioned by Better Society Capital, which estimated that between 2013 and 2023 the RHPF helped local authorities avoid £104 million in temporary accommodation costs, generated an additional £36 million in public sector savings through reduced demand on healthcare, mental health services, and the criminal justice system, and delivered £59 million in wellbeing benefits.

These financial and non-financial benefits highlight both the shortage of good-quality, affordable, temporary accommodation and the challenges faced by the public sector in meeting rising demand. By providing more affordable and suitable housing, Resonance saves taxpayers' money while significantly improving people's lives.

This study revisits the impact of the RHPF in light of two key developments:

- First, England is facing [record-high levels](#) of homelessness and spending on temporary accommodation. In the first quarter of 2025, 131,000 households were living in temporary accommodation in England - an increase of 12% compared with the same quarter in 2024, and 45% higher than five years earlier in 2019. The rapid increase in demand for temporary accommodation, combined with a lack of available provision for people experiencing a crisis, has led local authorities to increasingly rely on expensive and unsuitable options, such as bed and breakfasts, hotels, and nightly paid accommodation. The total number of households placed in such accommodation rose by more than 30% between 2023 and 2024 alone, with total costs for local authorities increasing from £1.8 billion in 2023 to £2.3 billion in 2024.
- Second, Resonance plans to launch a new homelessness property fund, the Resonance Housing Pathways fund, in early 2026. This fund is projected to increase the total funds under management to approximately £800 million and expand the portfolio to around 3,400 properties by 2030. It would therefore be valuable to estimate the potential impact of this new fund.

Using a similar methodology to the 2024 study, and considering the expansion of Resonance's property portfolio, **we estimate that between 2025 and 2035, the RHPF will deliver £349 million in savings to local authorities** by providing more affordable accommodation for people experiencing or at risk of homelessness. In addition, it is expected to **generate £196 million in public sector savings** through reduced expenditure on healthcare and other services. The provision of more suitable accommodation is also estimated to deliver **a further £811 million in wellbeing benefits**. Taken together, these impacts suggest that for every £1 invested, Resonance delivers **£1.90 in social return on investment per annum**. Over ten years, a £10m investment is projected to generate £18.5m in social return on investment in addition to the financial return to investors.

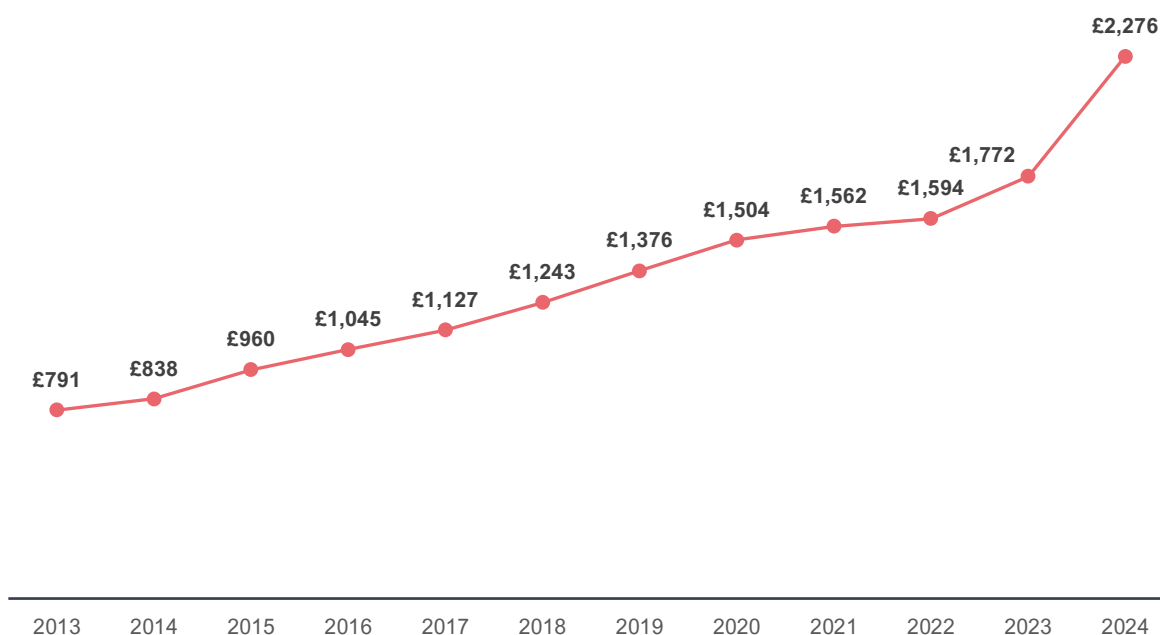
¹¹ Based on data provided by Resonance.

Introduction

Rising costs of temporary accommodation

The cost of temporary accommodation for local authorities has recently skyrocketed, increasing from approximately £1.8 billion in 2023 to almost £2.3 billion in 2024 – an increase of 28% in just one year.

Figure 1. Temporary accommodation expenditure (millions)



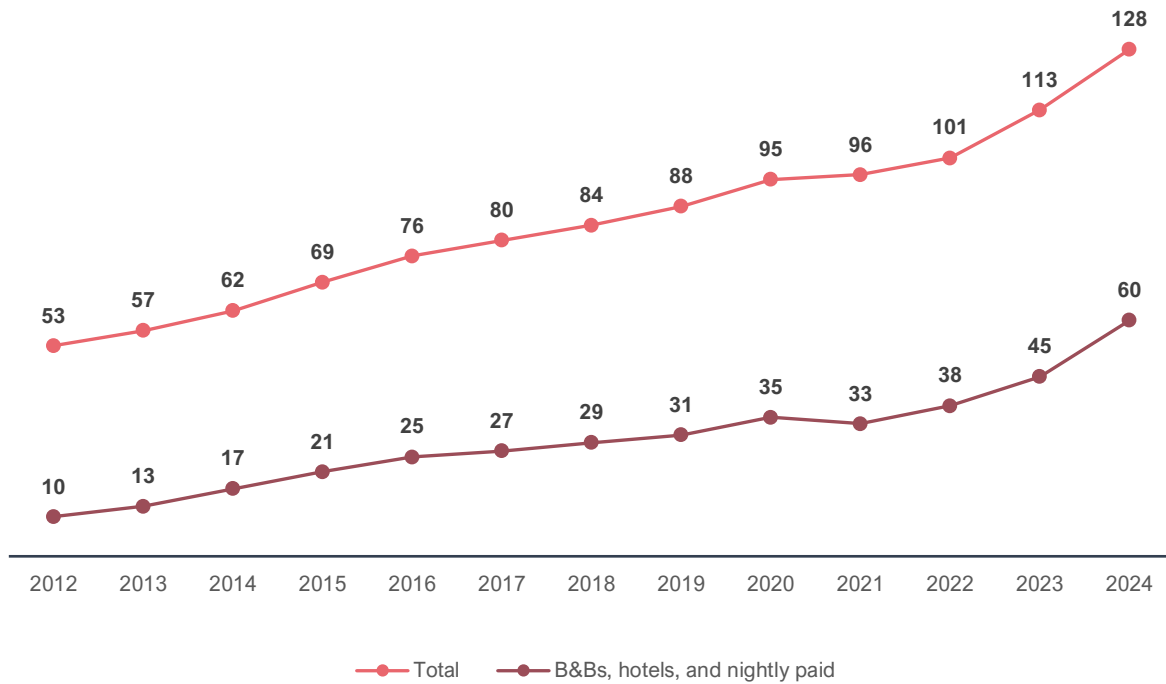
Note: Gross expenditure, in millions, on temporary accommodation by local authorities in England from 2013 to 2024. Source: [Ministry of Housing, Communities and Local Government](#).

This rise is partly explained by the growing number of households experiencing a housing crisis. In the final quarter of 2024, around 128,000 households were living in temporary accommodation in England – a 14% increase on the same period the previous year and almost double the figure a decade ago (see Figure 2).

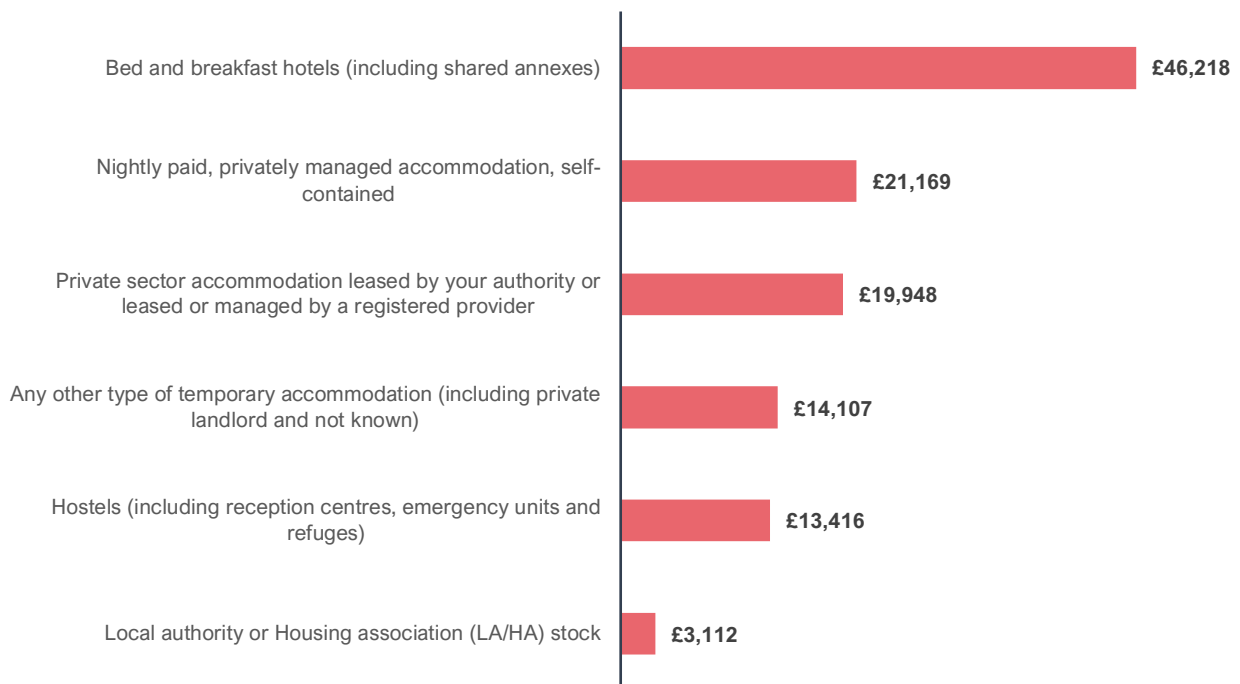
Furthermore, the rapid increase in demand for temporary accommodation, combined with a lack of available housing for people experiencing a housing crisis, has led local authorities to increasingly rely on bed and breakfasts, hotels, and nightly paid accommodation. Between 2023 and 2024, the number of households placed in such accommodation rose by more than 30%, reaching around 60,000 – accounting for nearly half of all temporary accommodation (see Figure 2).

Besides often being unsuitable, this type of accommodation is also expensive. The average annual cost of bed and breakfasts/hotels and nightly paid accommodation is c. £46,000 and c. £21,000 respectively – substantially higher than other types of accommodation, including those in the private sector (not nightly paid) and properties owned by local authorities (see Figure 3).

In short, England is facing a housing crisis, with rising homelessness and local authorities struggling to fulfil their statutory duties. This situation further exacerbates financial pressures on councils, as increasing demand and rising service costs continue to strain already limited budgets. Consequently, a growing number of local authorities are seeking “[Exceptional Financial Support](#)” to avoid issuing a Section 114 notice.

Figure 2. Number of households in temporary accommodation (thousands)

Source: [Ministry of Housing, Communities and Local Government](#); Alma Economics calculations.

Figure 3. Average cost of temporary accommodation by accommodation type per annum

Source: [Ministry of Housing, Communities and Local Government](#).

Resonance Homelessness Property Funds

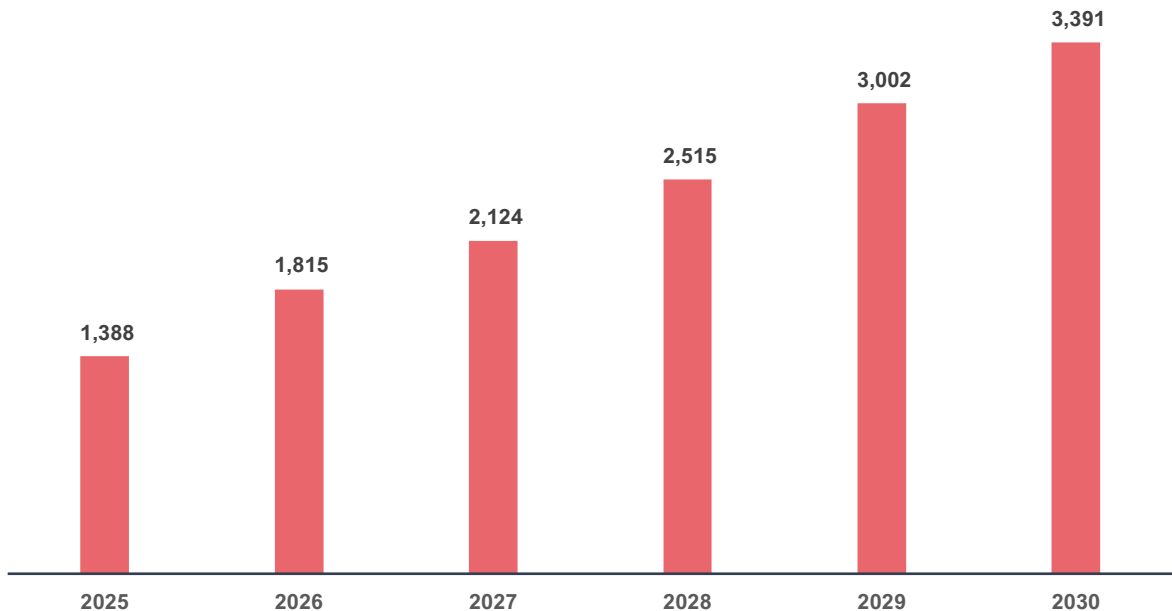
The Resonance Homelessness Property Funds (RHPF) help mitigate the housing crisis. [Resonance](#) is a UK social impact investment company focused on tackling major social issues, such as homelessness, poverty, health and wellbeing inequalities, and limited access to education. Its largest funds are the RHPF, which manage approximately £325 million and provide homes for individuals experiencing a housing crisis. These funds acquire properties, refurbish them, and then lease them to partners, including homelessness charities and housing associations, which, in turn, lease them to households that are homeless or at risk of homelessness².

As of March 2025, Resonance operated five homelessness property funds with properties across London, Bristol, Greater Manchester, Liverpool, Milton Keynes, Oxford, and Gloucestershire. Collectively, these funds owned 1,186 properties and housed 2,324 people, including 1,359 adults and 965 children.

In 2024, Alma Economics developed a model to estimate the financial and non-financial benefits generated by the RHPF. The study identified significant financial savings in temporary accommodation costs, healthcare, and other public service expenditures, alongside improved wellbeing for residents living in RHPF properties. These benefits amounted to approximately £140 million in financial savings and £59 million in wellbeing gains.

Resonance is planning to launch a new fund in early 2026, the Resonance Housing Pathways fund, which aims to raise the homelessness property funds under management to c. £800 million and increase the number of properties in its portfolio to c. 3,400 by 2030 (see Figure 4), growing both within existing regions and into new areas.

Figure 4. Resonance Homelessness Property Funds property portfolio



Source: Resonance.

² Tenants are responsible for paying an affordable rent with a shorthold tenancy, which is based on Local Housing Allowance. These lease payments provide investors with an annual yield, who also benefit from any capital appreciation on the value of the properties. The funds aim to deliver a financial return and a targeted social impact to investors.

This report

Against this background, Resonance is keen on revisiting the 2024 study and updating its assessment of the financial and non-financial benefits delivered by the RHPF. Applying the same methodology to updated data and taking into account the expansion of the property portfolio, we have produced revised estimates of the RHPF's impact, which are presented following a brief discussion of the methodology.

Methodology

Our methodology is built on the method we used in the [2024 study](#), and focuses on three types of benefits: (i) temporary accommodation cost savings, (ii) public sector cost savings, and (iii) wellbeing benefits.

The RHPF provide accommodation for households on either a temporary accommodation pathway or a rough sleeping pathway. The temporary accommodation pathway encompasses households already in temporary accommodation or on a waiting list for such accommodation. Typically, local authorities refer households in the temporary accommodation pathway to Resonance's 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.

By utilising data from Resonance, including information on the total number of properties and 'last accommodation type',³ we:

- i. Estimated the number of households that avoid temporary accommodation and rough sleeping through the RHPF.
- ii. Calculated the average cost saved and wellbeing benefit per household that avoids homelessness through the RHPF, distinguishing between households with and without children.
- iii. Combined (i) and (ii) to estimate the financial and non-financial impact of the RHPF.

Temporary accommodation cost savings

In 2024, the average cost of providing temporary accommodation was approximately £20,000⁴. Local authorities, however, typically receive around £7,000 in housing benefit per household⁵. Resonance predominantly offers accommodation that can be fully funded through housing benefit. Consequently, the gap between the average cost of temporary accommodation and the housing benefit represents the cost savings generated. These savings have been estimated for each city where Resonance currently operates or is expected to operate. Specifically, the calculations consider each city's or local authority's actual temporary accommodation costs and Local Housing Allowance rates, meaning the resulting savings reflect Resonance's geographical distribution rather than a national average.

Public sector cost savings

The second benefit entails financial savings to the central government related to public services, including healthcare, mental health, and interactions with the criminal justice system. Previous research⁶ 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](#) found that 66% of people report temporary accommodation having a negative impact on physical or mental health, and 57% of parents report temporary accommodation having a negative impact on their children's physical or mental health. The cost savings associated with public sector services were obtained from [Crisis](#) and [Pleace and Culhane \(2016\)](#).

³ This captures the tenant's homelessness pathway by recording their previous accommodation status – whether they were rough sleeping (or at risk of rough sleeping), staying in temporary accommodation, or awaiting placement in temporary accommodation.

⁴ According to data from the Ministry of Housing, Communities and Local Government.

⁵ Based on figures from the Department for Work and Pensions.

⁶ For example, see this [Department for Communities and Local Government study](#).

Wellbeing benefits

Temporary accommodation is often unsuitable, unstable, and located far from households' original areas, leading to poor living conditions and disruption⁷. By contrast, Resonance's tenants report good housing quality, improved wellbeing, and strengthened support networks⁸. To assess the wellbeing benefits of RHPF, we drew on a recent [Homes England study](#), which estimated that moving from temporary accommodation to social housing generates an average wellbeing benefit of £13,711 per adult and £16,133 per child (at 2024 prices)⁹.

Further details on the approach and model used to quantify the cost savings and wellbeing benefits are set out in the 2024 study. A summary of the key assumptions is provided in the Appendix.

⁷ For example, a survey by Shelter found that 75% of households in temporary accommodation live in poor conditions, more than two-thirds of people have inadequate access to basic facilities, such as cooking or laundry facilities, and 30% of households in temporary accommodation have lived in three or more TA places.

⁸ Based on the 2022/23 Resonance tenant survey.

⁹ While Resonance's accommodation is classified within the private rented sector (PRS) rather than as social housing, it remains comparable, as it typically offers higher quality and greater stability than other types of temporary accommodation.

Results

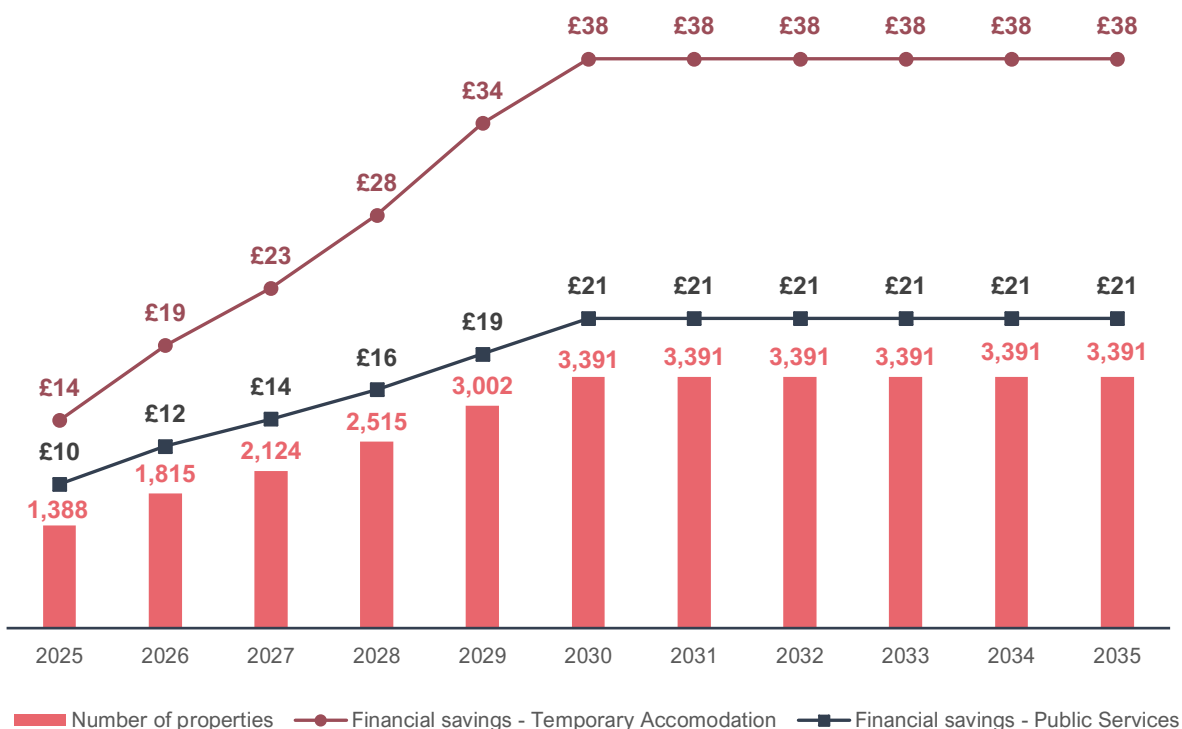
Summary

We estimate that the RHPF will generate £349 million in temporary accommodation savings, £196 million in public sector service savings, and wellbeing benefits exceeding £800 million between 2025 and 2035. This implies that for every pound invested in the RHPF, the fund will not only aim to repay investors but also generate £1.85 in financial and social value over a ten-year period.

Detailed results

Figure 5 presents estimates of the expected financial savings of the RHPF from 2025 to 2035 based on the projected increase in the Resonance property portfolio. We estimate that in 2025, Resonance will deliver savings of £14 million in temporary accommodation costs and £10 million in healthcare expenditure and other public service costs. These benefits are expected to increase over time, reaching £38 million in temporary accommodation savings and £21 million in public service savings from 2030. This increase in financial savings reflects the growth of the RHPF property portfolio, projected to rise from 1,388 properties in 2025 to 3,391 by 2030, and does not account for potential further increases in the cost of temporary accommodation. As such, the estimates are likely to be conservative.

Figure 5. Financial savings over time (millions)

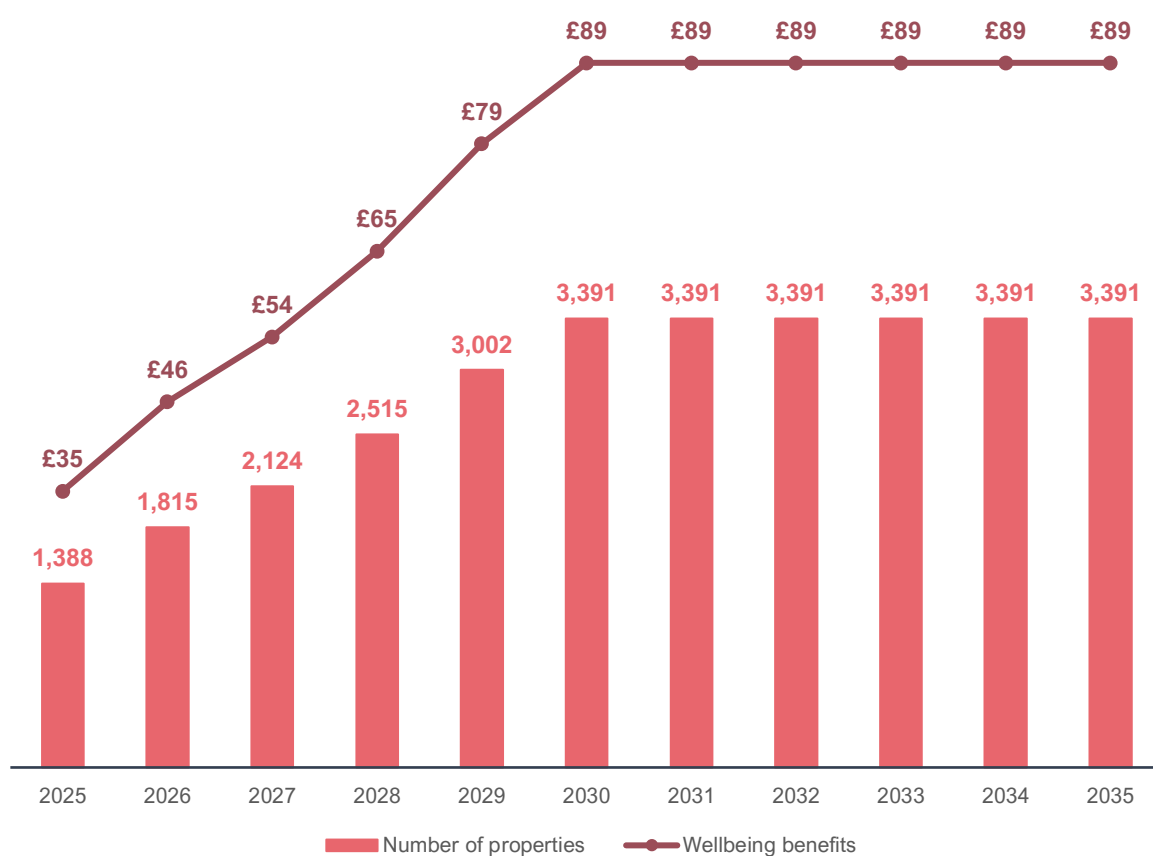


Note: Financial savings are expressed in millions and 2025 prices; Source: Alma Economics analysis.

In terms of the regional breakdown, approximately half of the projected temporary accommodation savings in 2030 are expected to come from London (c.£19 million), with the remaining half realised across the rest of England, Wales, and Scotland. These projected savings reflect regional differences in both the number of properties and the average savings achieved per property.

Figure 6 presents the monetary estimates of the wellbeing effect of the RHPF. We estimate that the wellbeing impact delivered by the RHPF amounts to £35 million in 2025 and is expected to increase in line with the growth of the property portfolio to £89 million in 2030. The wellbeing benefits are significant and exceed the financial savings, reflecting the considerable improvement in housing conditions that the RHPF provides to households compared with temporary accommodation.

Figure 6. Wellbeing benefits (millions)



Note: Wellbeing benefits are expressed in millions and 2025 prices. Source: Alma Economics analysis.

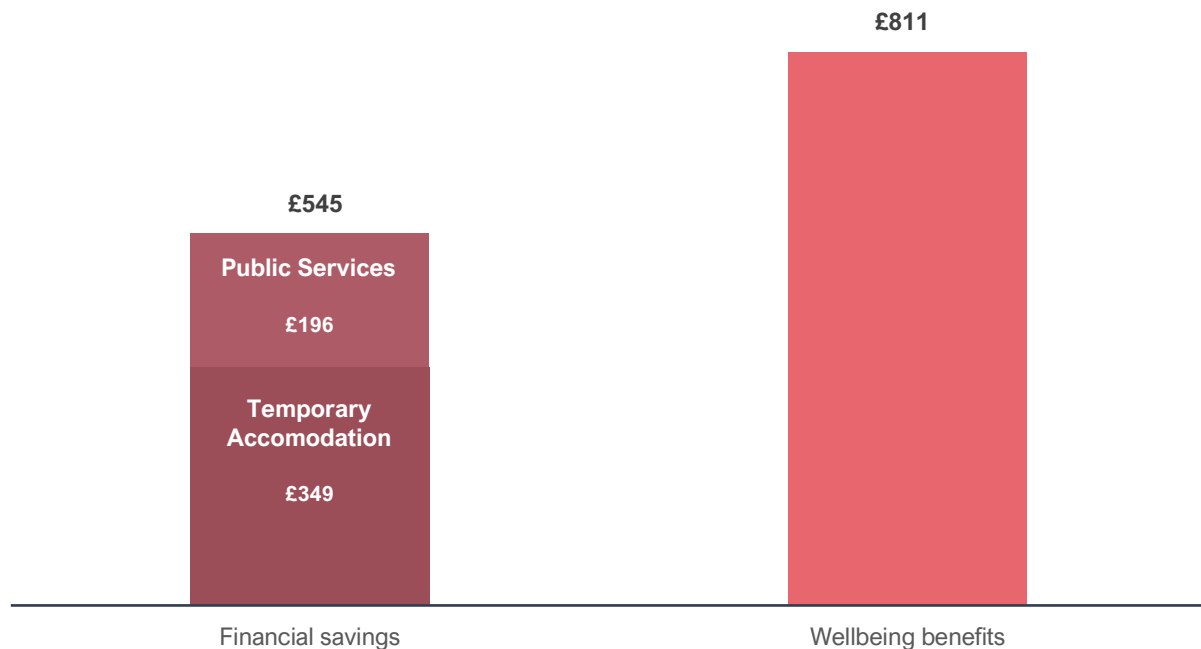
Figure 7 summarises the financial and non-financial benefits of the RHPF. Between 2025 and 2030, the RHPF is estimated to deliver £349 million in temporary accommodation savings and £196 million in public sector service savings. In addition, it is expected to improve people's wellbeing, with the monetary value assigned to this improvement exceeding £800 million.

Based on financial savings and wellbeing benefits in the year 2035, our calculation shows a social return on investment (SROI) of £1.9 million per £10 million deployed in RHPF annually¹⁰. Over different

¹⁰ The Social Return on Investment is calculated by dividing the annual financial and non-financial benefits in 2030 by the capital deployed (£800 million in 2030).

timeframes, this translates to £9.3 million over five years, £18.5 million over ten years, and £37 million over 20 years (if the homes were to be held for that period).

Figure 7. Financial and non-financial impacts, 2025-2035 (million)



Note: Financial savings and wellbeing benefits are expressed in millions and 2025 prices. Source: Alma Economics analysis.

Table 1. Social Return on Investment (for £10 million invested)

| Investment horizon (years) | SROI |
|----------------------------|-----------|
| 1 | £1.9mil. |
| 5 | £9.3mil. |
| 10 | £18.5mil. |
| 20 | £37.0mil. |

Source:Alma Economics analysis.

Appendix


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

| Assumption | Value | Source |
|---|----------|--|
| Number of Properties (2025) | 1,388 | Resonance |
| Number of Properties (2030) | 3,391 | Resonance |
| Percentage of Households with Children | 80% | Resonance |
| Percentage of Households in Rough Sleeping Pathway (2025) | 15% | Resonance |
| Percentage of Households in Rough Sleeping Pathway (2029) | 0% | Resonance |
| Occupancy rate | 95% | Resonance |
| Average time in rough sleeping pathway | 4 months | CHAIN; Alma Economics calculations |
| Average Financial Savings - TA (in 2025 prices) | £13,700 | The difference between the expenditure on temporary accommodation by local authorities and average housing benefit. Source: MHCLG (2024) , DWP (2024) |
| Average cost of Public Services (TA) – Adults (2018 prices) | £4,322 | Crisis |
| Average cost of Public Services (TA) – Children (2018 prices) | £813 | Crisis |
| Average cost of Public Services (RS) – Adults (2016 prices) | £19,708 | Pleace and Culhane (2016) |
| Average wellbeing impact from TA - Children (2024 prices) | £16,133 | Homes England |
| Average wellbeing impact from TA – Adult (2024 prices) | £13,771 | Homes England |
| Average wellbeing impact from Rough Sleeping (2014 prices) | £21,401 | Fujiwara and Vine (2015) |

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