

SOLUTIONS TO

# HOMELESSNESS

THROUGH SOCIAL IMPACT INVESTMENT



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Cover photo: A Real Lettings tenant in his home

# USING THIS REPORT

This report assesses the combined social impact of the Resonance Homelessness Property Funds.

The report seeks to balance being comprehensive with being accessible. Given that the Funds change year on year, we have sought to make it easier to see where something is consistent, where it is new or where it is a trend.

There are two main changes to the report this year:

1. The report has been split into two documents. This document, the Social Impact Report, is intentionally shorter. It includes the sections that were previously in the summary as well as some additional elements. There is also a second, companion document, "Social Impact In Depth", that contains more data and discussion for readers that are interested in more detail.
2. There is more emphasis than before on changes over the life of the Funds to date. This feels appropriate as the Funds mature: with three Funds at different stages of deployment, it is hoped that this helps readers understand how the context has changed and to make comparisons – including observing differences – between the Funds. Furthermore, with more years of data to consider in the Funds, it is now possible to look at trends and better appreciate which changes are significant over the longer term and which may be shorter term fluctuations.

This report was prepared by Andy Schofield and Jamie Pett of the Transformational Index (TI) Group, with active contributions from the Resonance and St Mungo's teams. The authors gratefully acknowledge the help of all of the staff and tenants who made the writing of this report possible.





# SUSTAINABLE DEVELOPMENT GOALS

All Resonance impact investment Funds, including the Funds covered in this report, make significant contributions to the UN Sustainable Development Goals (SDGs). The specific SDGs on which these Funds have an impact are shown below.



# SUMMARY

## BACKGROUND TO THE FUNDS

- **Social enterprise Real Lettings** is a social lettings agency run by homelessness charity St Mungo's. It is unusual because **it houses people who are homeless or at risk of homelessness in stable, private tenancies without deposits**. The properties are provided by three Homelessness Property Funds that are run by Resonance in partnership with St Mungo's. Resonance buys properties and refurbishes them to a high standard, whilst Real Lettings manages the tenancies and supports tenants, working with partners to help them access services and become part of local communities.
- Three property impact investment funds have been set up so far, with the same social purpose: to help people at risk of homelessness to become more independent, linking stable housing to positive development in other parts of their lives. The three Funds are:
  1. **Real Lettings Property Fund (RLPF<sup>1</sup>)** – London-focused, and the pioneer Fund for this initiative, launched February 2013.
  2. **National Homelessness Property Fund (NHPF)** – launched December 2015, it operates in Bristol, Milton Keynes and Oxford.
  3. **Real Lettings Property Fund<sup>2</sup> (RLPF<sup>2</sup>)** – launched in January 2017, this extends the work in London. This is the second full year of operations and it continues to raise investment and acquire its portfolio.
- Capital raised across all three funds was £194m at the end of March 2019. **£170m has been used to buy 723 properties that are housing 1598 people**, including 796 adults and 802 children.
- **The context in which Real Lettings operates is one of pronounced national need, with over 80,000 households currently housed in unsuitable and expensive temporary accommodation.** Real Lettings provides an effective pathway for tenants ready for independent living who would otherwise struggle to access private rented sector housing; in many cases they would otherwise be stuck in temporary accommodation for longer periods.
- **Market challenges remain**, including rising house prices and rent on the one hand and government policies that have constrained some benefits on the other.
- **There is significant potential to scale up the Homelessness Property Funds** model to provide a positive alternative to unsuitable temporary accommodation.

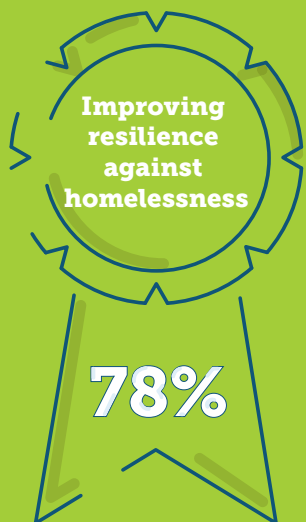


Resonance Property Funds have won a number of accolades, including the coveted "deal of the decade" from NatWest SE100

# IMPACT IN THE LAST YEAR OF REAL LETTINGS

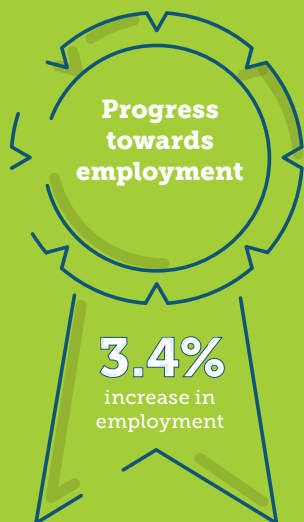
Data for one year ending 31 March 2019

## Positive Relationships



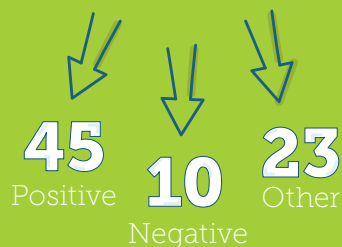
78% of all tenants said their support network and relationships had been positively affected

## More Employment



For the first time in the history of the Funds, this year the percentage of tenants in work outnumbers those who are unemployed

## More Households Move On Positively



## Stable Accommodation for Families



## THE IMPACT OF THE FUNDS

The impact of the Funds can be seen primarily in four areas. The first three were chosen before the Funds began, whereas the fourth has been added based on the experience of housing families, particularly single parents with children:

1. **Improving housing options** – Tenancy sustainment for the critical first 6 months has been constant at 100% for the last three years. People are generally paying their bills and in some cases saving money. *Almost 25% of tenants are now saving for a deposit, a sustained rise over the last three years.*
2. **Progressing towards work** – Having a stable place to live can help people make steps towards work, including training, education and putting childcare in place. This is evident in the three Funds. *Employment has increased in the last three years to just over 45%*, a good number given that most tenants also have caring responsibilities. *For the first time in the history of the Funds, this year the percentage of tenants in work outnumbers those who are unemployed.*
3. **Improving resilience against homelessness** – This has several dimensions, including that people know how to look after their home and meet people locally, integrating with communities. Currently *78% of all tenants say their support network and relationships have been positively affected by living in a Real Lettings home.*
4. **Stable housing for children** – Real Lettings now houses more children than adults. *Children in particular benefit from good quality, stable housing, in terms of their emotional, physical and social development*, supported by access to public services such as health and education.

## THREE KEY LEARNINGS

In this report we highlight three themes that are significant to understand the impact the Funds are making.

1. **Connecting stability and empowerment** – People are generally experiencing positive changes in their lives whilst in a Real Lettings home and the stability of their housing is complementary to this.
2. **Differences between London and the three other cities** – The complexity of the operating environment, the housing market and its interaction with the benefits system are key factors that make it easier to move on to alternative housing in Bristol, Milton Keynes and Oxford, the areas covered by the National Fund.
3. **An overall positive impact on tenants and children** – The benefits of stable homes are present across all Funds and are explored in terms of the age profile of the children, who represent half of the people housed.





## THE FUNDS IN DETAIL

Real Lettings is a social enterprise run by homelessness charity St Mungo's. In partnership with social impact investment firm Resonance, three property investment Funds have been set up to date with the same social purpose: to help people at risk of homelessness to become more independent, linking stable housing to positive development in other parts of their lives.

The three Funds are:

1. **Real Lettings Property Fund (RLPF<sup>1</sup>)** – London-focused, and the pioneer Fund for this initiative. It is now fully invested and in its sixth year of operations in 2018/19.
2. **National Homelessness Property Fund (NHPF)** – Launched December 2015 to take the initiative to other cities around the UK, it operates in Bristol, Milton Keynes and Oxford. This Fund is now closed for investment and has committed and acquired all of its target portfolio. There are ongoing plans to extend this model to other cities around the UK.
3. **Real Lettings Property Fund<sup>2</sup> (RLPF<sup>2</sup>)** – Launched in January 2017, in order to continue the initiative in London. This is the second full year of operations and it continues to raise investment and acquire its portfolio.

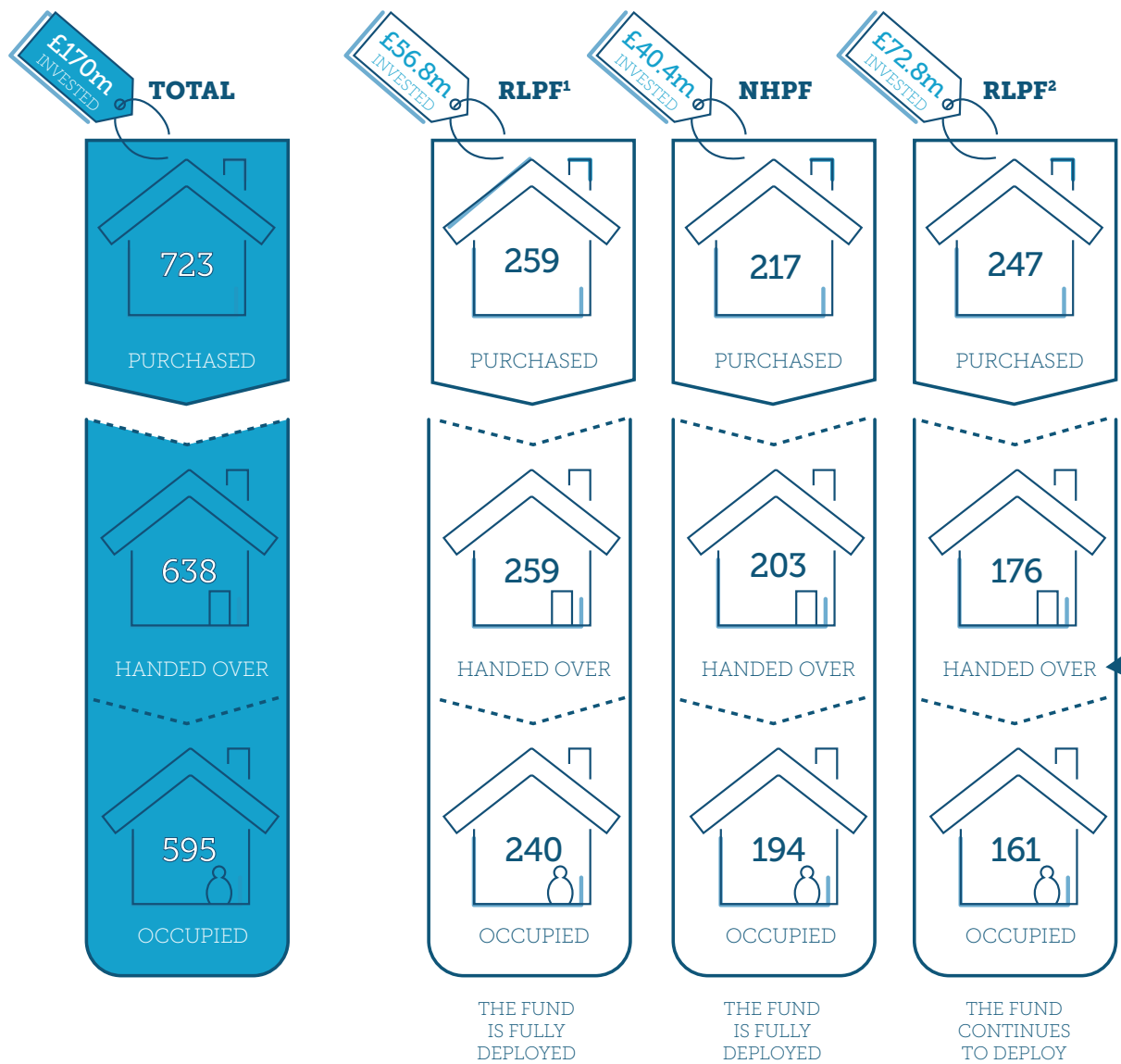
The different levels of investment in each of the Funds and the number of properties each has bought is shown in the diagram. Total investment in the three Funds was £194m at the end of March 2019, the period which this report covers. As of the end of September 2019, this had risen to £199m.

Once money is invested, Resonance identifies, purchases and refurbishes properties before they are handed over on leases to St Mungo's. At this point, the Real Lettings team arranges for tenants to move in.

RLPF<sup>1</sup> is fully deployed, with NHPF and RLPF<sup>2</sup> having fully committed the capital raised over the last two years. The number of people housed has increased significantly and will continue to grow as RLPF<sup>2</sup> raises money and buys homes.



## FROM PROPERTIES TO PEOPLE



Eight homes refurbished by ReVive, St Mungo's in-house refurbishment and decorating training company. ReVive gives homeless people who have completed its accredited training the chance to work on live contracts, before being placed into jobs with major construction firms across London.

NB: there is a greater difference between the numbers of properties purchased and handed over for RLPP<sup>2</sup> since at the end of March it was still acquiring properties, with many of these in refurbishment prior to handover.

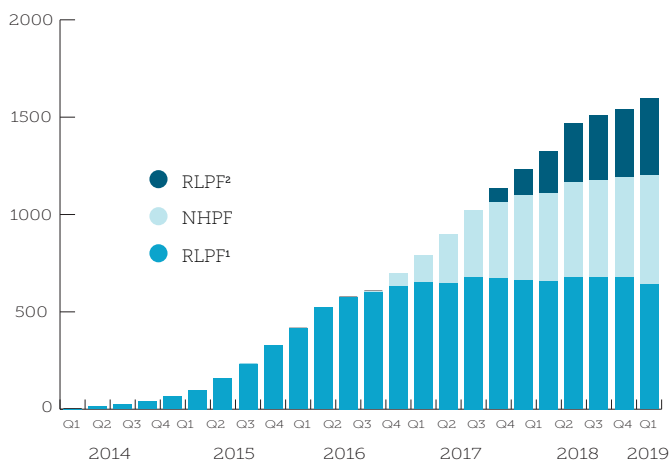
# WHO THE FUNDS HOUSE



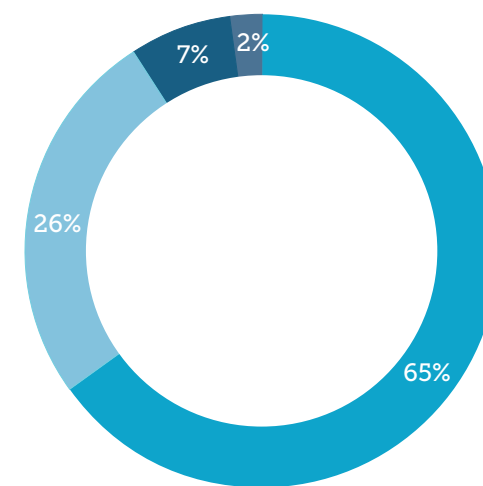
The bar graph to the right shows how the total number of people housed has grown during the life of the three Funds so far, up to the end of the financial year in March 2019.

One of the most notable features in terms of who is housed, is the number of households with children, in particular single parent families. This means that the impact of the Fund for both adult and child tenants needs to be considered. Children in particular stand to benefit from good quality, stable housing, in terms of their emotional, physical and social development, supported by access to public services such as health and education. This is explored further in this report, including in several of the tenant case studies. As well as the long-term trend of housing families with children, there is a growing number of one-bedroom properties in RLPF<sup>2</sup> for single people, including people who have slept rough and women who have experienced domestic violence.

**Total people housed**



**Composition of Households**

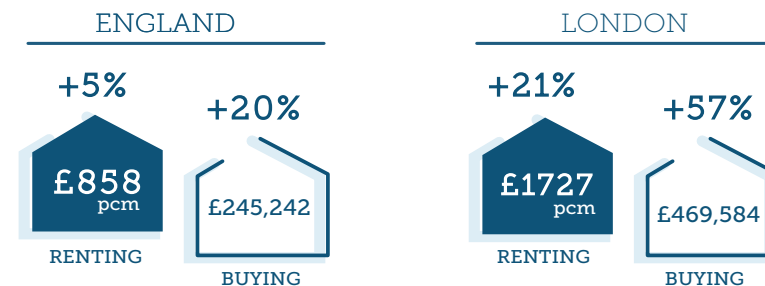


- Single adult with children
- Two adults with children
- Single adult with no children
- Two adults with no children

# THE CHANGING CONTEXT THE FUNDS FACE

The diagram to the right shows how the context has changed as the Funds have been developed. The need and challenge have increased substantially in terms of the number of people who are homeless and in temporary accommodation. Although the waiting list for social housing – the most stable and affordable tenure – has dropped, demand massively outstrips supply and the reduction is mainly due to a policy change that has enabled local authorities to remove some people from their waiting lists. Policy changes have also affected the benefits available to Real Lettings tenants, particularly families. Meanwhile, prices for buying and renting have risen significantly since the Funds were established. The combination of these factors makes for some challenges for Real Lettings' operation and tenants' future housing options. At the same time, the Funds are now more needed than ever.

## THE MARKET COST OF HOUSING



## THE CHALLENGE NEEDS FOR DIFFERENT HOUSEHOLDS



**Note:** the diagram uses March 2019 data for current figures. Percentage changes are calculated from 2012 data for London and 2015 data for England, in line with the start dates of RLPF<sup>1</sup> in London and the National Funds, which currently cover Bristol, Milton Keynes and Oxford but exclude London. For a more detailed version of the diagram and the data used for the calculations, please see Social Impact in Depth.



# TENANTS' STORIES

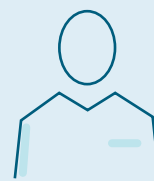


## **Pethelma, 58, Brent**

Pethelma, 58, lives with her 19-year-old daughter. Before moving into a Real Lettings property almost five years ago, she had stayed in shared private accommodation and, with no stable home, had to move every six months, eventually staying in a hostel.

She works part-time as a care worker whilst her daughter goes to college and works part time. Living in the Real Letting property has given Pethelma peace of mind and stability. She has made friends locally and enjoys going to the bingo and the local park. Stability hugely benefited her daughter during her teenage years, both in terms of friendship and academically, as she did not have to constantly change schools during exams and made more progress.

Pethelma likes the property and would like to be able to stay in it for a long time. She is aware that originally the tenancy was offered on a short-term basis, yet she has become a long-term tenant. She says the main barrier for her moving on is the price of private rented accommodation. She approached the Council for help to find private accommodation but says that they have been unhelpful. Being able to stay in the property for this extended length of time has had a positive impact on her; she feels that having to move home would 'disrupt her life' again.

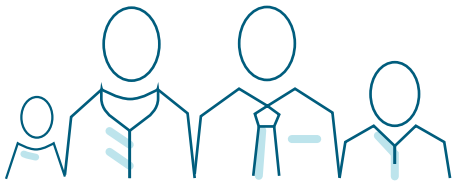


## **Paul, 60, Hackney**

Paul had an alcohol problem and was sleeping rough before moving into a hostel. He was then moved into a temporary one-bedroom flat provided by LookAhead through Peabody Housing. Paul was grateful for the 'roof over his head' but did not like the flat. It was not a safe environment as there was drug use and other tenants who drank heavily. He was aware that he could be moved on at any time. LookAhead referred him to Real Lettings.

Being offered a fixed term tenancy has offered Paul a stable and safe environment, which has been crucial to his recovery from alcoholism and to rebuilding his life. He said he stopped drinking as soon as he moved to this property because he felt happier and safer. He is currently doing well in his job as a lift supervisor and enjoys the fact that he lives close to his children and grandchildren. He says he gets on with neighbours and enjoys going to the local markets.

Paul is aware that he is on a fixed term tenancy and will need to move on but says he would quite happily stay in the property indefinitely. He says being stable and settled is key to him being able to remain sober and alcohol free, and that change is detrimental to this progress. Paul says he feels supported by Real Lettings. He feels like he has not been left on his own and is reassured that there is always someone at the end of the phone should he need it.



### **Sahada, 37, Feltham**

Sahada was living in temporary accommodation in Golders Green provided by Westminster Council. This temporary accommodation was a one-bedroom flat with a tiny living room and kitchen and no storage space: too small for her, her husband, and daughter, especially as she was expecting a second child. She had no sense of security at this property. The neighbours were very noisy and disruptive, and she often could not sleep.

Sahada now feels secure and settled in her new home. Being offered a fixed term tenancy has provided Sahada and her family a much more spacious and nicer place to call home. It has allowed her young daughter to have her own bedroom instead of having to share with her parents. She enjoys living in the area, due to the fact that it is peaceful and she gets on well with the neighbours. Her husband works full time at Heathrow Airport and the property is in a good location for his job. Whenever Sahada has made contact with Real Lettings she has always had a positive experience. She says that everybody she has spoken to has been helpful so far.

Sahada hopes to settle down long-term in or near to Feltham and to return to work or training once her children are of school age.





### **Mason\*, 27, Bristol**

\*not his real name

Mason, now 27, lived with his father until he was 10 years old. His dad had a drug problem, so his older sister fostered him and his twin brother until they were 16. He was given shared supported housing between the ages of 16 and 25, and then was moved into his own one-bedroom flat when he was 25. He went through the bidding process on the council website and was offered the option of a Real Lettings flat. It was in the area he knew, close to his support network, was newly refurbished and in good condition, so he accepted. He has lived in his Real Lettings home for two years.

The stability of this flat and being close to family has helped him feel secure and stable enough to complete courses in carpentry and barbering. He feels he has made progress in working towards his dream job – a self-employed barber. However, he has fallen behind on rent payments due to the change in his benefits, which have moved to Universal Credit (more detail on this issue is provided in the supporting document to this summary report). As a result, it has required a multi-agency approach between St Mungo's, the local authority and Citizen's Advice Bureau which continues but the arrears have not yet been resolved. Mason has found the experience very stressful. The time spent trying to sort these issues and the debt that has built up has negatively impacted on and interfered with his ability to work. He now has less money available and is currently unable to rent a chair and follow his dream of becoming a self-employed barber.





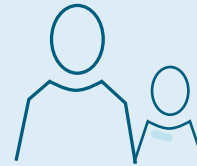
### **Emilia\*, 56, Milton Keynes**

\*not her real name

Emilia, 56, lives in a 2-bedroom Real Lettings property in Milton Keynes where she works in the public sector. Around five years ago, she lived with her husband and two children in a home they owned. The breakdown of her marriage due to a combination of domestic violence and her husband's debt meant she lost her home. After renting privately and living for a while in a static caravan, her adult son's mental health deteriorated, and Emilia approached the council for help. She was initially offered a temporary property in Luton, which was too far away from her workplace. She was then referred to Real Lettings, who found a suitable, safe and secure home for her and her son.

Emilia's son finally received a diagnosis and started receiving support from local mental health teams. Her new home means that Emilia is now close to her support network, especially her mum who helps with her son. It has also had a positive impact on her son as his mental health has improved since he has settled in; he feels more secure in their new home. The location of the property has also meant that, although she is her son's carer, she is still able to work full time. She is grateful for the stability Real Lettings has provided and for having a place she can call home.

Emilia has now been in a Real Lettings home for three years. Although she is concerned about the future, as she knows this is not a permanent home, she said that empathetic and proactive support from the Real Lettings teams has reduced some of the stress around moving on.



### **Tara, 29, Oxford**

Tara was heavily pregnant when she became homeless and found herself sofa surfing. Tara asked Oxford City Council for help. The council originally wanted to relocate her to Worcester, but she refused the accommodation because she would have been isolated from family and friends. She was placed in temporary accommodation, which was not suitable to raise a newborn baby. At that point, she was referred to St Mungo's and became Real Lettings' first Oxford tenant. She has no idea where she would be now if not for this opportunity.

Since moving in three years ago, Tara has become a first-time mum to a son and has settled into the community, even though it was not an area she knew initially. She has attended local baby groups and 'stay and play' events in the area. Tara is confident applying through estate agents for private rented accommodation, although she has not yet found anything that meets her needs. She is actively bidding on the social housing register with the hope of finding a forever home in the area soon.

Tara says she has had a very positive experience with everyone at St Mungo's. She reports feeling supported from the start and has been really positive about how staff members have worked with her over the years, including the rent team, welfare support and housing officers. Tara feels the team has been hands-on and friendly, continuing to support her now she is looking to move on.

PROFIT THROUGH PURPOSE

# LEARNING IN DETAIL

Real Lettings achieves impact by moving people who are homeless or at risk of homelessness into properties owned by the Funds. It supports them to move in, learn to manage their home and make progress in different areas of their lives, with a view to them moving on at the time that is right for them. This year, we highlight three themes that are significant in understanding the impact of the Funds.



Photo: Outside a Real Lettings property

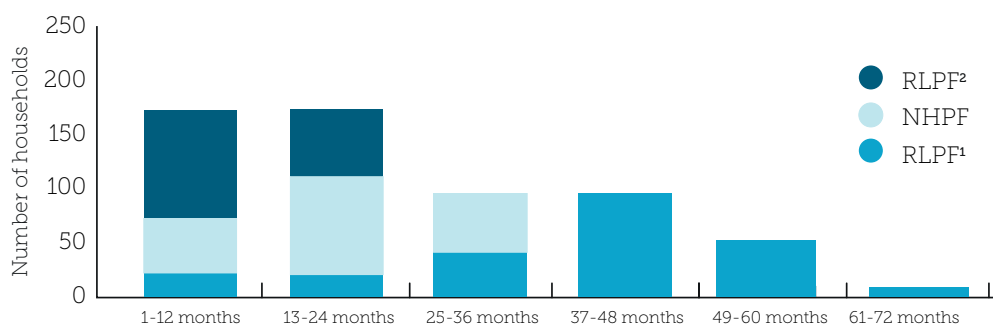
## 1. Connecting stability and empowerment

The Funds have always had a dual purpose: helping people with the stability of a home as they find stability in life, and promoting empowerment, so that people take more control of their lives and have more choice to make their own decisions. On the one hand, these can work together – moving into education and employment, or moving to more advanced levels in either, always requires effort and to do this without a stable home is immensely challenging. On the other hand, there is potentially a tension between providing a good quality, stable home and supporting people to ultimately be in a position to move on.

Tenant feedback shows that people generally like their homes and are sensitive to the difficulties of moving on, particularly into the private rented sector, which is difficult for them to access and then offers less stability and often lower quality housing. Many would prefer to stay with Real Lettings if they could, and some report that they have concerns around the time-limited tenancies and leaving. These concerns should be seen in the context that all tenants have received a very significant improvement in their quality and security of tenure relative to their previous situation. Resonance and St Mungo's are also using the information gained about the needs of different tenant cohorts for greater stability of tenure to inform the design of future initiatives, including potentially longer term investment vehicles that could provide a greater range of tenancy lengths to meet different needs.

Some people are staying for longer periods, a trend that is most visible in RLPF<sup>1</sup> since it was the first Fund to launch in 2013.

### Length of stay to date



In RLPF<sup>1</sup>, after over six years of operations, most people have been in their accommodation for between three and four years; in NHPF, after over three years, most people have lived in their home for over one year and up to two, whilst in RLPF<sup>2</sup>, after over two years, it is one year or under. Whilst RLPF<sup>2</sup> could follow a different track, the current trend is that the length of time residents stay in their home is increasing roughly in line with the age of each Fund.

It is crucial then to understand what progress looks like for residents whilst in a Real Lettings home – impact is happening whilst they live there, not just when they leave. This report explores three-year positive trends, i.e. where improvement has been sustained. In general, the signs are positive in terms of:

**Improving housing options** – There is an ongoing upwards trend in the number of tenants with savings accounts and those saving for deposits in NHPF and RLPF<sup>1</sup>. This is not the case in RLPF<sup>2</sup> at present, but this is to be expected as most people have moved in recently and it takes time to stabilise. If RLPF<sup>2</sup> follows similar trends to the other funds, one would expect this to increase over the next year or two. Overall, 24.9% of tenants are saving for a deposit, up from 19% in 2017-18 and 12.5% in 2016-17.



## Progress towards employment

- *For the first time in the history of the Funds, the percentage of tenants in work outnumbers those who are unemployed.* At the end of 2018-19, 45.4% of respondents to the tenancy survey are in employment compared to 39.5% of tenants who are unemployed, with the remainder described as not eligible for work. Last year (2017-18), these two numbers were in balance, whilst in 2016-17, 40.3% were working compared to 47.9% unemployed. NHPF is the strongest Fund in this regard, with 50% in employment.

## Comparing employment and unemployment



- *The only area of concern is in relation to an apparent decrease in those who have childcare in place over the same period.* The supporting document, Social Impact In Depth, explains that there appear to be 41 households where there is no obvious sign of health issues that would prevent work, the children are of an age to access free childcare, but childcare is not in place. St Mungo's will be using this data to investigate further in the coming year.

## Improving resilience against homelessness:

- *People are generally managing their homes well.*
  - More people know who to contact regarding maintenance: 97.5% answer yes to this, a strong sustained rise of 28.1 percentage points in two years.
  - Also, more people report paying their bills on time – 75.1% report paying their bills on time, compared to 64.2% two years ago.
- *However, this needs to be held in tension with rising levels of rent arrears,* more of which are now above £3k per household, typically several months' rent. Out of 596 properties in the Funds, 74 had arrears in excess of £3k at the end of the year, compared to 28 out of 514 properties in the previous year. Arrears are caused by multiple factors: delays in benefits payments, errors in the amount paid by the Department of Work and Pensions to tenants, and changing financial circumstances for tenants, including moving into work. St Mungo's is looking at these on a case-by-case basis, which supports a better understanding of where the issues are and what can be done to address them. Real Lettings and other St Mungo's services like the Welfare Rights team are actively working with tenants to manage arrears better and make sure that they have expert advice and support; Real Lettings is deliberately going as far as possible to support people, without evictions. These would be very detrimental to affected tenants and the overall social impact of the Funds. Furthermore, although there are significant costs stemming from arrears, this needs to be set against the cost of legal action and the cost of voids. Financially and socially, it is better to support people and sustain tenancies. This is a complex area and a detailed case study and further context and analysis are provided in *Social Impact In Depth*.

Positively, empowerment is present in all of the Funds. Partnership working is an important factor here: Real Lettings works with other St Mungo's services such as Welfare Rights and Employment and Training, as well as outside charities like BEAM, so that tenants have access to additional opportunities. In RLPF<sup>1</sup> particularly, it seems that stability and empowerment often work together, with people not only sustaining their tenancies but gaining greater independence financially through savings and employment.

## 2. Differences between London and the other cities

There are emerging differences between the two London Funds and the National Fund, which invests outside London. These show up in several ways:

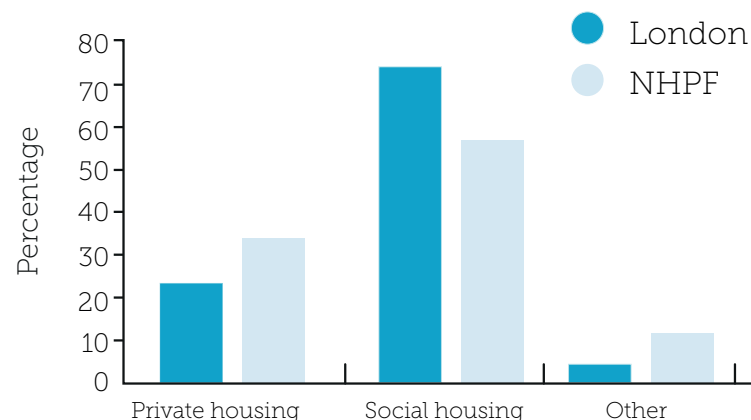
### London's scale and complexity create a more challenging operating environment

– the London Funds cover a much larger area than Bristol, Oxford or Milton Keynes. In London, there are 32 local authorities and tenants are spread across most of them. The Real Lettings team has many partner relationships to manage, with support services often being different across boroughs. By comparison, relationships with individual cities outside London are simpler to manage and travel times for residents and staff tend to be shorter.

**Tenants tend to move on more successfully in the other cities** – besides the operational complexity in London, there is an economic and structural challenge. As the graphic above (p. 11) illustrates, house prices and rents in London are higher and have risen faster, a long-term trend that presents challenges for people to find another home beyond Real Lettings. It is also more difficult for people to retain a home in London, something that seems to be substantially due to the combination of prices and the benefits system, including the cap on benefits. Three data points show this most clearly:

- Firstly, *the percentage of positive move-ons in the other cities is higher than London* – cumulative figures for the life of the Funds show that in London 43% move on positively compared to 19% negatively; outside of London 78% of people move on positively compared to 2% negatively. Furthermore, more move-ons are into the private sector outside London, whereas there is a greater reliance on social housing in the capital. 74% of positive move-ons in London are into a housing association or local authority property, compared to 56% nationally. If we take the last two years, the comparison for positive move-ons (with 27 move-ons in London and 18 nationally) is shown in the graph to the right.
- Secondly, *the levels of rent arrears are higher in London than in the other cities* – the detailed analysis and response to this more complex issue are discussed in the Social Impact In Depth supplement, but the ultimate impact risk that is being managed here is that of eventual evictions. Historically, eviction is by far the main

## Two years of positive move ons



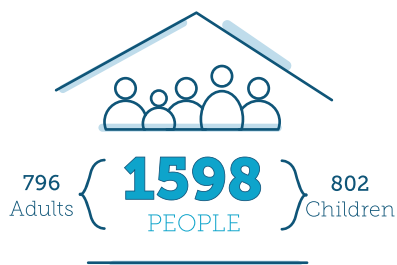
reason for negative move-ons in London (24 out of 29 negative move-ons in the life of RLPF<sup>1</sup> and RLPF<sup>2</sup>), whereas there have been none for rent arrears in Bristol, Milton Keynes or Oxford. In NHPF, the local authorities are very involved in resolving rent arrears cases and liaison with the Department of Work and Pensions (DWP) around benefits is easier, compared to London with different DWP offices serving different London boroughs.

- Thirdly, the rate of change in the Funds, as *people move from a Real Lettings tenancy into alternative accommodation more rapidly outside London* compared to in London.
- Fourthly and finally, *employment is somewhat higher in the other cities* – 50% of people are in employment, compared to 42.6% in the two London funds.

### 3. Overall positive impact on tenants and children

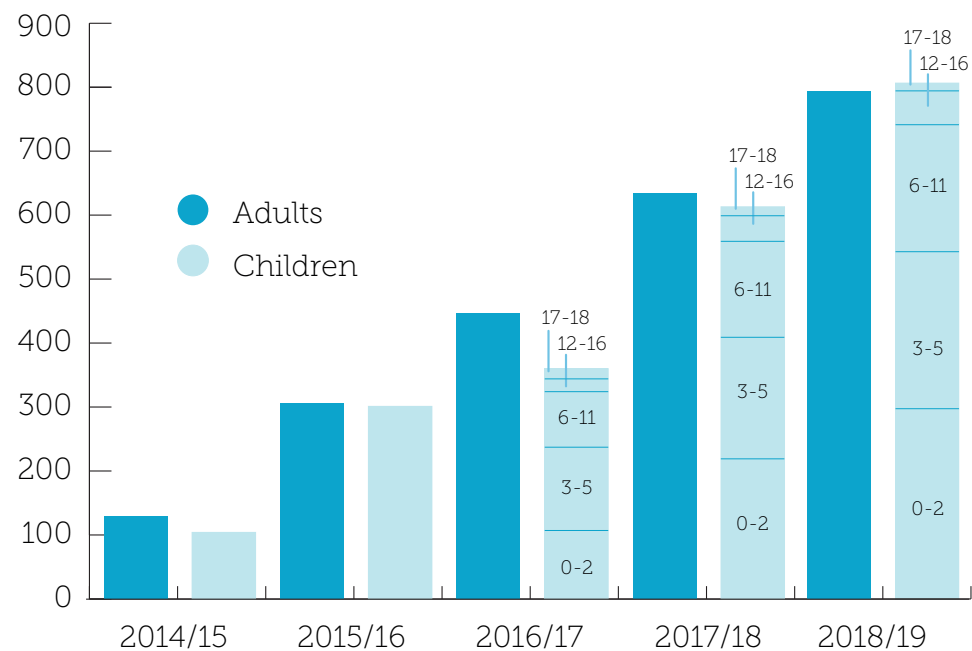
Last year, we highlighted the importance of Real Lettings for families with children. This trend has grown even stronger in the last few years, and for the first time this year Real Lettings is housing more children than adults. At the end of March 2019, only 9% of the Funds' homes did not have any children (32 out of 357 tenancies that responded to the tenancy review). Providing stable homes for these children should be considered a significant achievement: besides the 796 adults currently housed, 802 children are getting a better start in life due to the Funds and Real Lettings' work. It is possible to infer some of the likely positive effects and harm avoided based on the ages of the children.

**67% of children are under five**, and given that many families have now been housed for several years, these 540 children will have spent their formative years in better and more stable homes than would otherwise have been the case: Tara's case study is one example of this. A 2015 report, *An Unstable Start*, for the NSPCC and the Anna Freud Centre notes that parents who become homeless tend to be vulnerable and that these vulnerabilities are a major factor in their homelessness. Their situations are compounded by the adverse effects of homelessness, which have a worsening effect on them and their children. This begins with more difficult pregnancies and lower birth weights, delayed development, and a greater likelihood of missing immunisations or being registered with a doctor. In this respect, it is encouraging to note that the last three years have shown a sustained rise in the numbers of tenants registered with a GP. These figures need more investigation but the rise is 25 percentage points across all three Funds and uptake appears better amongst households with children. GP registration was not previously recorded as impact but is available from demographic data and will be considered in future reports.



**More than one third of children are of school age** (33% are six or over; the data shows a further 30% are aged three to five, some of whom will be attending school). Shelter worked with teachers to explore what they see in the classroom in terms of the effects of homelessness, which typically equates to temporary accommodation for children. The 2017 report, *Impacts of homelessness on children – research with teachers* (Kantar Public and Shelter), highlighted negative impacts on children's mental and physical health, their behaviour, educational attainment and relationships with peers. Younger children tended to withdraw, whereas older children tended to become angry or refuse to do schoolwork. The health, education and social relationships of these children are likely to be better as a result of living in a Real Lettings home, compared to the alternatives. An example of these benefits can be seen in Pethelma's case study, where her daughter has benefitted socially and academically from a more stable home.

This reinforces the previous point that progression should be understood in a multi-dimensional way – including life chances for children and their parents whilst they are in a Real Lettings home, as much as where they might move on to in the medium term.







# KEY COMMITMENTS

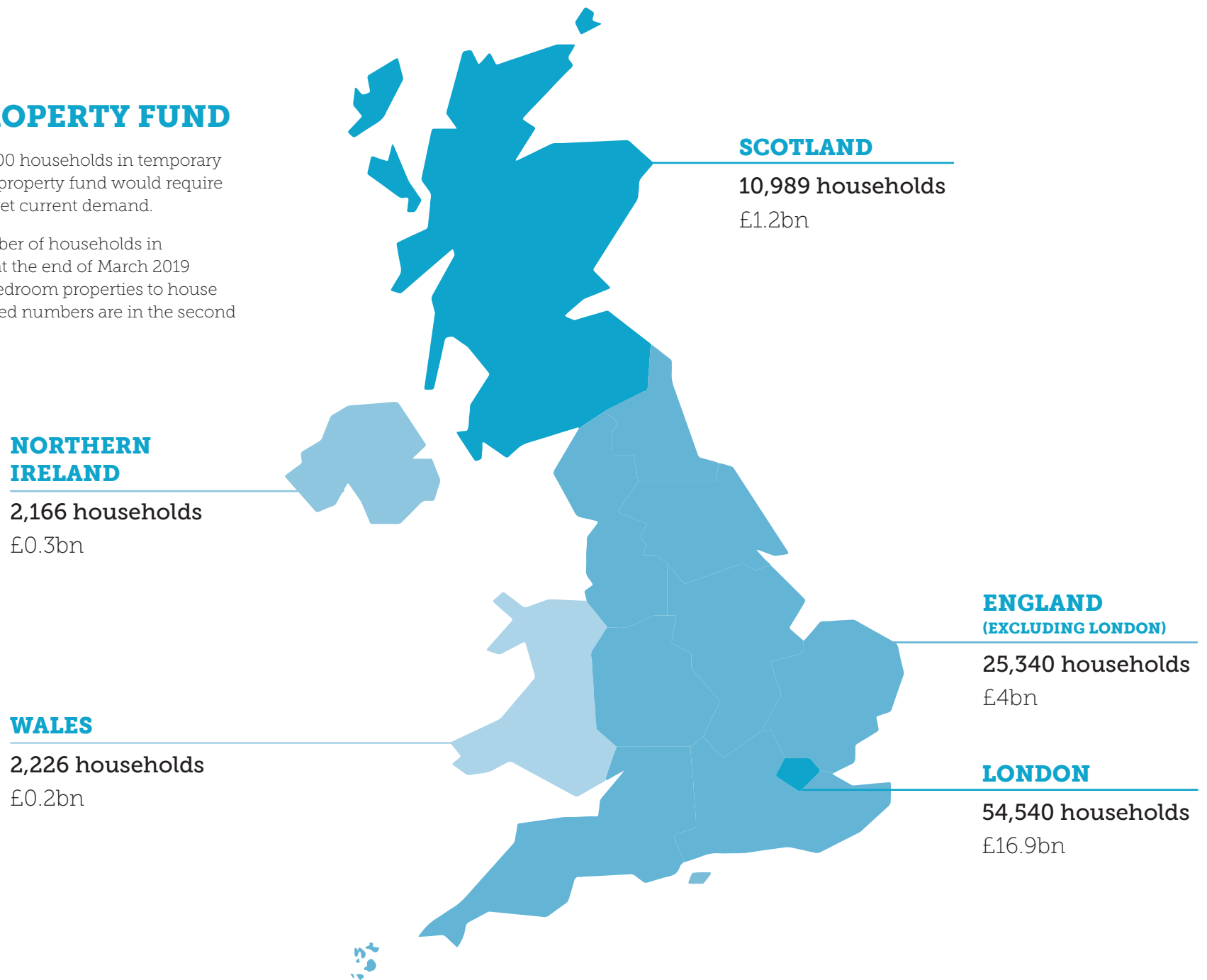
As partners in the Fund, St Mungo's and Resonance are committed to the following:

- Growing the existing Funds and developing a follow-on Fund** - there is a desire to scale the Funds by buying more housing, and to extend the duration for which housing can be held and tenancies continued. Given the importance of these homes to the families in them, the preferred exit for the existing Funds is to create a follow-on Fund that will buy the existing portfolio of property and allow the continuation of tenancies that are working well and where move-on is not an immediate possibility. The need and potential for growth is very significant: Resonance estimates that £20.9bn would be needed to purchase enough two-bed properties to house England's homeless households alone, with a further £0.3bn for Northern Ireland, £1.2bn for Scotland and £0.2bn for Wales. Resonance calculates that its property fund model would work in most areas of the UK on a yield basis. This would represent significantly better housing pathways for 95,000 households, including many families with children.
- Not working alone** – the partners continue to extend an invitation to collaborate. The Funds are already a collaborative endeavour between St Mungo's and Resonance, with investments from the Greater London Authority (GLA), charitable trusts, local authorities and private individuals. Housing is a human right that we collectively struggle to meet in the UK and the partners and investors want to work together and with others to achieve this. For example, in the past year, Resonance and St Mungo's ran workshops with existing stakeholders in the Funds to improve strategies for tenant move-on, and are currently looking at a technology solution project which could benefit tenant progression.
- Pro-actively tackling rent arrears** – Real Lettings has a more nuanced understanding of rent arrears. Whilst the backdrop is the benefits system, Real Lettings is working at the level of individual cases to break down the sources of rent arrears and address all of these. This will lead to clearer categories, which better serve tenants and the Fund, by matching the response to the cause.
- Supporting people with more complex needs** – RLPF<sup>2</sup>, which has received significant investment from the GLA via its Move On programme, is actively seeking to extend its housing offer to people with more complex needs, such as people who have slept rough and women who have experienced domestic violence. This will be resourced and monitored over the next year.

## AN IMPACT PROPERTY FUND

In the UK there are over 95,000 households in temporary accommodation. An impact property fund would require approximately £22.7bn to meet current demand.

The diagram shows the number of households in temporary accommodation at the end of March 2019 and the cost of buying two bedroom properties to house them. The sources and detailed numbers are in the second document.





PROFIT THROUGH PURPOSE



☎ 0161 883 2839

✉ [propertyfunds@resonance.ltd.uk](mailto:propertyfunds@resonance.ltd.uk)

**Launceston**

The Great Barn  
5 Scarne Court  
Hurdon Road  
Launceston  
PL15 9LR

**Bristol**

Rivergate House  
70 Redcliff Street  
Bristol  
BS1 6LS

**Manchester**

3rd Floor Eagle Building  
64 Cross Street  
Manchester  
M2 4JQ


**Birmingham**


**Impact Hub**  
Walker Building  
58 Oxford Street  
Birmingham  
B5 5NR

**London**

**Impact Hub**  
34b York Way  
Kings Cross  
London  
N1 9AB

[resonance.ltd.uk](http://resonance.ltd.uk)

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Photo: A Real Lettings  
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