The Story So Far: Housing Associations and the Scottish Economy

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About this report

This research was commissioned by Scottish Federation of Housing Associations (SFHA) to help develop the economic narrative for housing associations.

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Disclaimer

This independent research was commissioned by the Scottish Federation of Housing Associations (SFHA) to help develop the economic narrative for housing associations. It was carried out by the authors, who retained full editorial control. The content and opinions in this report are those of the authors and do not necessarily represent the views of SFHA or its members. Any errors or omissions are the responsibility of the authors. If you are using this document in your own writing, please cite: Maclennan and Watson (2026) *The Story So Far: Housing Associations and the Scottish Economy,* David Hume Institute, commissioned by the Scottish Federation of Housing Associations.

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Executive summary

Housing associations are much more than providers of social housing. They are **major employers, investors, purchasers, developers and community anchors**, generating economic activity well beyond their core housing role.

Using new evidence and analysis, this report argues that their full economic contribution is **not yet properly understood or measured**. As a result, housing investment is often viewed as a cost rather than as an investment capable of generating wider economic, social and public-sector returns.

Housing associations support employment, construction, local businesses, skills, regeneration and household incomes through their direct spending, supply chains and wider economic activity.

Their **not-for-profit status** makes this particularly significant. Rather than distributing profits to shareholders, surpluses are retained and reinvested in homes, services and communities. Where associations employ locally and procure from local businesses, expenditure can circulate within local economies, supporting jobs, businesses and further investment.

Housing also affects productivity. Affordable, secure and suitable homes can support labour mobility, help employers recruit and retain workers and enable people to participate in employment. Poor housing can create costs through ill health, homelessness, financial insecurity and pressure on public services.

The report identifies ten interconnected domains through which housing associations contribute, or have the potential to contribute, to Scotland’s economy calls for **better measurement and economic modelling**, including the local economic multiplier and the public costs that good housing can prevent.

The message is clear: housing associations are already creating significant economic value. Scotland needs to measure it, understand it and make investment decisions based on the full return.

Section A: Developing the Narrative - Context and Background

1 Developing An Economic Narrative For Scottish Housing Associations

1.1 Difficult Times, Hard Decisions

The new Scottish Parliament reconvenes to face an autumn and winter of difficult discussions of challenging futures. That includes finding a route map and resources to reverse and resolve Scotland's housing polycrisis (Maclennan and Fleming, 2025). The Scottish Fiscal Commission (2026) has highlighted the tightening budget constraints that will endure through the life of the Parliament. Nor, is the fiscal prospect for the UK government any more favourable despite a renewed interest in supporting growth and change through spreading devolved government.

The UK, and Scotland within it, face low growth in a context of abnormally high international and domestic political tensions and economic uncertainties impair fiscal capacities just as the adverse consequences of neglecting past investment in public infrastructures and services become increasingly costly.

The remainder of the 2020's will be a time when clear, strategic, collaborative choices must be made across all of orders of government, and within them, to deliver core missions of social justice, net zero and growing productivity and wellbeing. Such choices are, paradoxically, most difficult to make when they are most needed. Now is a time of difficulty in policy making not just because of domestic resource constraints and rising external threats but because the centralised, siloed emphasis of both Scottish and UK policy-making no longer appears to be effective.

Despite multiple policy initiatives to 'renew' places and reduce inequalities between them, there are towns, and villages, and neighbourhoods that have been resolutely left behind through the half century of Scottish deindustrialisation. The major public services and infrastructures that were at the heart of the social contract of postwar Scotland -the NHS, schooling, policing, ferry services, and housing-have all descended into various, and interconnected 'crises', since the end of the 'long-boom' of the 1990's, and arguably earlier.

Policy targets come and go, and performance often still declines. Inequality of income and wealth grows. Yet for the last quarter century Scotland, and the UK, have seen real incomes rise (albeit slower than in many EU countries) and the budget of the Scottish Parliament similarly enhanced in real terms. Inequality has increased and collective happiness has fallen as collective Scottish incomes and wealth have increased.

1.2 From Scottish Siloes to Multiple Level Systems

It is misplaced, and misleading, to conclude that the dour progress of much of Scotland post devolution in 1999 (although often out-performing similar regions of England), reflects the competence or incompetence of Scotland's politicians and policymakers. Rather it reflects a poor set of choices, at Scottish and UK levels, of systems of how to govern. There has been a welldocumented continuing centralisation of powers and resources away from local to Scottish and UK governments. Primarily that arises from the design of the fiscal system and the subsequent reallocation of resources to places, people and service provision through centrally dominated siloes of government. City Deals and similar resource transfers from central to more locally led governance structures have been the exception rather than the rule in coping with change. Scottish Deals have revealed the significant governance capabilities existing across regions within Scotland.

As locally delivered services and infrastructures have deteriorated, with Scottish local authorities barred from raising tax rates by Holyrood, Scottish and UK governments have often been unwilling to raise the fiscal resources to cope with emerging difficulties. As sector or place supports fall, core, foundational services start to fail. When these silo policy failures are repeated over time, they begin to fashion complex, 'wicked' systems of local difficulty that can no longer be dealt with by a single silo of policy. Nor can they be understood and resolved by remote government officials (and, arguably, Wester Hailes is more remote from Victoria Quay than it was in the 1990's). Nor are they resolved by ideologically single-minded, municipal authorities that, as the new UK Prime Minister notes, may put 'party' before' place' and 'people'.

Shaping and serving Scotland better requires change in how Scotland is governed. For this Parliament, without losing their political fundaments, the imperative will be to have cross-party and cross government collaboration to do the best of what is possible within the resources available.

Collaborative government is hard work (Cairney, 2024). It has been little practised between Scotland and the UK government, within the Parliament, and between Holyrood and many councils, since the very start of devolution.

1.3 From Gaslighting to Enlightening

A change in approach to collaborative government will be critical. This is not for the housing association sector to deliver but they can contribute to a critical step-change in how policy is made in Scotland.

Change requires every major and minor sector of policy delivery and place change to have a clear understanding of how it can best restore progress and better meet national goals. That understanding needs to be articulated in credible, evidenced sector narratives that set out what its agents/members will achieve in the future as opposed to embracing and advocating policy targets and making resource claims that simply extrapolate the past.

The low flow of basic housing research in Scotland for the last two decades means that policymaking is less enlightened than it was a decade ago, (with much of the illumination is now by 'gaslight'). Major sectors, like Housing Associations, must understand their narrow and wider impacts. They must be attuned to their local, regional, and national impacts. They must know and be central to the network of relationships across multiple public sector siloes, private providers, researchers, and levels of government. They must interact with maximise impact.

Scottish housing associations, do not yet do this in relation to economic policy networks and influencers. In the absence of any other key policy or delivery agent taking their economic roles seriously, SFHA should lead the exploration of how associations shape prosperity as well as social and environmental progress for Scotland.

In recent decades, the housing sector has become less well connected to local housing networks and systems. The governance system appears to understand housing change and the consequences of delivery agent actions less than in 1999. Without any 'agency' to connect from the Minister's desk, though local councils and regional Partnerships, to local communities it has understood housing less well and relied on resource siloes rather than active, innovative, collaborative local change. It has no published 'story' of how housing investment and housing association actions impact Scotland and its local economies. Local housing system analysis has become all about the inputs and not at all about the outcomes. Associations and others, will have to construct their own narratives.

Housing Ministries across OECD countries are placed within a variety of major Departments. Housing is residential infrastructure, that generates significant social, net zero and economic effects and policy involves major public spending and taxation issues. Supply side issues have placed a new emphasis on allocating Housing Ministers to Infrastructure Departments, and in 2023 Canada relocated housing from social development to a new Department of Housing, Infrastructure and Communities Canada (HICC). In 2024, the Australian Federal Government recognising the critical importance of housing in the economy reallocated the Housing Ministry, mostly, away from Social Affairs and to the Treasury.

Scotland has chosen a different emphasis. The redesign of Cabinet responsibilities after the 2026 election re-emphasises, and subordinate, housing responsibilities to the Cabinet Secretary for Social Justice. Effective housing policies for Scotland also have to serve net zero and economic growth aims wherever possible. Housing policy is about creating and supporting growth for the future as well as addressing disadvantage and decline from the past.

The Parliament and the Government now need to be crystal clear on how housing actions serve broader economic aims wherever possible and are effectively integrated across other portfolios that impact, and are impacted by, housing outcomes. Presently there is neither clarity about these connections nor how well they are coordinated within the Scottish Government.

The Scottish Government also to have real clarity about what housing associations are, how different they are from each other, and from other social and market housing providers.

Are housing associations to be seen, and supported, as providers of decent homes that low-income households can rent without unacceptable rental burdens? Are they to have wider roles that deal with market failures in providing market homes and housing services? Can some be seen as key community/neighbourhood 'anchors' and change leaders. Bluntly, the elastic use of undefined 'affordability' has significantly obfuscated how housing programmes meet social priorities and also seriously understated what housing non-profits do in their different localities. A new narrative is needed of how the core and diverse wider roles of the association sector impact the major missions of the Scottish government and the measured outcomes of the National Performance Framework. This report focusses on the economic story of the non-profit housing system in reinforcing Scotland's local and national economic systems.

This makes the development of an economic narrative an important task for SFHA to lead with other major housing bodies, to expand how politicians, governments, providers, and educators think about housing.

1.4 Associations with Outcomes: Telling Their Own Story

The housing association sector has been a major plank of Scottish housing and place policy for the last half century. This was widely recognised by Labour and Conservative governments prior to devolution and was given similar priority in the 'Community Ownership' programmes of the early governments of the Executive/Parliament. Through that process there was a focus on the social/community benefits of the association programme and considerable research undertaken to understand and quantify them.

Interestingly, over the last decade, there has been little research of any kind on social outcomes delivered by associations. And there has been no clear government statement on how housing associations, individually and collectively, have promoted social inclusion and contributed to building community wealth in Scotland. The bureaucracy and the sector do not help the Housing Minister, and the parliament. There are no clear summary papers on how housing, and the housing association sector, contribute to social inclusion and cohesion, nor to the growing area of association interest of achieving net zero, and there is not a single overview government paper, nor much research on which to base it, on how associations impact the economies of Scotland and its places, large and small. That needs to change if Government is to address the stubborn, spreading, polycrisis in the Scottish housing system (Maclennan and Fleming, 2025).

This report focusses on what an 'economic' narrative for the association sector might look like and how there is a need to build urgently on what we do know. There are many who undoubtedly hoped that we would conclude this short study with a number, or perhaps two, claiming that Scottish housing associations contributed 'x' billion to the Scottish economy each year or raised productivity and growth by 'y' percentage. In fact, to do justice to associations it would be important to quantify the links between housing outcomes and changes in the scores of most of the indicators on the National Performance Framework. It is disappointing that such a record of progress does not exist in the public domain.

Such a definitive conclusion is not possible given the state of research, knowledge and modelling for the sector. But what is possible is to draw together Scottish and other research insights that suggest likely and potentially significant effects on Scottish economic outcomes. Our task, therefore, is to draw out a plausible, contestable narrative, as often happens in economic policy research, of economic consequences of housing association actions and outcomes. That narrative, given the absence of existing research and modelling, cannot be based on top-down, hard econometric estimates of association effects. It can, however, serve as a framework for associations to chart and tell their economic as well as their social stories, and for cities and regions to overview sector impacts that in turn would inform national narratives. We have to build the story from below and we must start with what exists and suggest a narrative as much linked by yet unanswered questions as by route maps from housing causes to economic effects.

1.5 Developing the Narrative: The Structure of the Report

The next chapter builds on previous work (Maclennan and Miao, 2016; Maclennan and Long, 2024; Maclennan and Fleming 2025) on what housing **is** from an economic standpoint and what it **does** to the economy and why that is difficult to measure.

Chapter 3 then highlights the diverse existing evidence, of quite different kinds, and at different geographic scales, of 'housing effects' on the economy and highlights how that work might be strengthened and developed.

The fourth Chapter outlines the nature of the association sector and their understandings of their economic roles. Chapter 5 explores what housing associations do in an economic context through a narrative framework, drawing upon primary data from the research interviews and survey, as well as secondary data from the documentary review and other available sources. Case study snapshots are used to illustrate economic contributions in key domains. The final Chapter, 6, draws some conclusions about the current economic significance of associations in Scotland and sets out what is required to deepen and strengthen that narrative.

2 Multiple Perspectives: Which Stories to Tell?

2.1 Narratives and Economic Policy

Economists construct and tell their stories in diverse ways and for different purposes. For much of the last half century academic economics was dominated by a technically sophisticated application of mathematical frameworks to explore the key properties of, primarily, market systems. To make these approaches tractable economists would make multiple prior assumptions that simplified the nature of economic systems, by assuming well-functioning markets for simple commodities involving well informed, and rational households and firms. This builds a stripped-down skeleton of the multiple economic systems that exist at any time, in multiple places.

There are always sustained debates within the academy about whether the conventional or dominant framework should prevail and what alternatives might exist. Until the last decade, after three decades of growing inequality and the Global Financial Crisis, the economics mainstream narrative of well-functioning, competitive markets working to rebalance changes in the economic system has prevailed in the academy and been powerful within Finance and Treasury Ministries. For examples that have mattered in shaping housing outcomes, central banks have persistently refused to deal with house price inflation because 'markets' best choose asset portfolios and prices.

More recently, many governments across the OECD have looked to planning deregulation as the key solution to the 'housing problem'. This emphasis ignores both that demand and income distribution factors influence housing outcomes, and that the complex ecology of housing supply chains may be disrupted by shortages of land, materials, skilled labour and infrastructure gaps rather than perverse planners. Planning reform matters, but so do all these other factors. The latter narrative, which raised the growth forecast of the UK Office of Budget Responsibility, was based on a subset of housing supply research that essentially 'proves' its prior beliefs and has been somewhat discredited by recent construction sector slowdowns in systems busy deregulating planning.

Narratives in economic policy making matter, and they are often constructed within a narrow framing of causes and effects, but they are rarely neutral in their judgements of what matters and what is ethically right. In the mainstream narrative, the implicit value judgements are that individuals are always the best judge of their own wellbeing and that the existing distribution of income is 'correct' or has been otherwise 'corrected' by distributional policies. In effect, economic policy narratives within governments were focussed on interventions that addressed market failures and that otherwise that encouraged the allocation of scarce government resources to investments in programmes that raised growth and productivity. Distributional concerns, central to any real political economy thinking, were downplayed and often regarded as 'residual'.

So, what has this got to do with housing associations, how might they play into the big economic policy narrative? In effect, they did not. Even in the early halcyon days of the expansion of housing association investment in crumbling 1970's Glasgow, the policy targets were about removing Below Tolerable Standard Housing for social reasons and by the end of the decade a recognition that they were stabilising neighbourhoods, improving land and property values on adjacent sites (Maclennan, 1993), and contributing to a changing image for the city that, over time, has markedly, positively impacted flows of labour and investment into the city. There was never a government effort to estimate these growth and productivity effects, and advocacy of these wider impacts and the need for them in local economic development thinking died along with Scottish Homes. Associations did not buy into the narrative because their 'social/community' narrative fed their budgets, and city change, at least until the early years of this millennium.

Our purpose here is to construct 'stories/narratives', not histories, for the movement (recently and adequately done by Taylor et al (2026). The sector is short of economic narratives now, and plays unrecognised roles in Scottish economic change, because it has ignored its economic impact as much as governments have.

Economists in government, and there are remarkably few 'housing economists' with postgraduate qualifications in housing economics in the Government Economic Service, do not simply rely on theory but may be involved in creating, often complex, econometric/statistical models of the economy. There are distinct categories of models designed for different purposes, and they may embody more or less simple (and sometimes no) 'housing sector'. Some involve growth forecasting. Others are designed to estimate the impact of changes in one sector, such as policy induced housing investment increases, on employment and income in other sectors of the economy.

The Fraser of Allander Institute has a formidable reputation for modelling aspects of the Scottish Economy and inter-sectoral effects. However, it has never been adequately funded to develop a growth model for Scotland, nor a well-developed housing sector model. As, we shall argue later, in the UK generally, there have been no attempts to develop econometric models of the major metropolitan economies such as the Glasgow and Edinburgh city regions. In consequence, no developed capacity to model our largest let alone smallest local housing systems. Scotland has stuck, for almost four decades, with trying to refine descriptive local housing system analysis rather than developing modelling-based narratives.

Mainstream theory and macro-modelling have not adequately engaged, in Scotland and the UK, with the existence and consequences of a large non-market housing sector. At this point should we give up?

Definitely not! Associations and researchers must build the narrative from below, whilst hoping some serious commitment to overall sector modelling is made. Building on previous work (Maclennan and Fleming, 2025) for the David Hume Institute it is important to ask, 'what housing is' and 'what does it do to/transform/change the economy?' For it is answers to the latter question and the firmness of evidence of such effects that should shape the 'narrative' of how housing associations, singly and collectively, impact national and local economies. And that narrative should drive both new policies thinking and a new policy research agenda.

After outlining our framework of questions, we look to applied economic analysis, often using a less reductionist research framing than macro-policymakers, and the reported experience of Scottish housing associations about the potentially important economic arguments they might make for changes in policies and priorities.

2.2 What is 'Housing'?

A research relevant definition of housing has been developed in previous publications (Maclennan and Miao, 2016: Maclennan and Long, 2024; Maclennan and Fleming, 2025) and that work is not repeated in detail here. Briefly housing is a verb, an activity, and a noun, an object with multiple attributes or characteristics (size, location etc).

Housing as an Activity in the Economy

Designing, planning, financing and building homes are all long recognised housing investment related activities that generate wages, salaries and profits in national and local economies that, in turn, are mostly spend on goods and services withing the economy thus creating more jobs and incomes through 'multiplier' effects. These relatively short term (2 to 3 year) effects typically have a multiplier value of 2-3 (across a wide range of regions and indeed nations) and they have been widely used by fiscal policy makers seeking to stabilise the economy in periods of downturn and recession. For instance, in the 1990's Scottish Homes deliberately increased the share of GRO-grants (with a much lower grant rate than association spending) to enhance new construction starts and help stabilise the economy.

The short-term impact of housing activities on income and employment effects on regional and national macroeconomies is now recognised to go well beyond new construction. Renovation and maintenance, equally have multiplier effects. Housing market turnover not only generates demands for professional legal and transaction services but also investment in property redesign, refurbishment, energy system upgrading and white goods. In booming phases of housing market activity, housing driven demands may underpin as much as 10-15% of employment in major cities. That raises questions about instabilities (housing spending reinforcing booms), and appropriate strategies for long term economic growth (discussed further below).

Housing lobbies respond to government stabilisation concerns by sometimes estimating and always emphasising the importance of multiplier effects from housing. There are three difficulties with that emphasis:

- First, in periods of growth and inflation, multiplier effects in general are often not regarded as important by economic policymakers.
- Second, other sectors have multiplier effects too, and it may well be that currently public spending on defence will have substantially higher multipliers than for housing investment.
- Third, multiplier outcomes are about relatively short-term economic effects, they are not the 'growth' story. The growth story for housing, that policymakers are now avidly looking for (having ignored it for almost a century) (Maclennan and Gibb, 2025), is how housing outcomes, in essence housing as a noun and complex object, impacts growth and productivity. This lies at the heart of the issues of what housing 'is' and 'does'.

Much macroeconomic modelling and commentary essentially ignores what housing is. Models and commentaries focus on 'total number of units' or overall values of investment magnitudes. That reductionist approach removes any possibility of understanding what housing is and does in the economy. That is the conceptual and modelling frameworks are set with such long/high focal lengths that they can neither chart effects nor identify causal housing to economic growth linkages, nor indeed any other real outcomes. The housing 'baby' is discarded with a bathwater of simplifying assumptions. Techniques then begin to shape results and interpretations.

A recent analysis (2024) of the relationships between social housing investment and productivity in Canada, reported by Deloitte's and the Canadian Housing and Renewal Association (CHRA) highlights this difficulty. That study utilised a standard growth disaggregation technique that uses time series analysis to relate changes in national output to changes in different growth inputs, including different kinds of capital investment. The technique was developed to examine public infrastructure capital inputs and their consequences for US growth (Aschauer, 1988). The results reported a positive relationship between growth and infrastructure, and the approach was widely used into the 1990's when scholars highlighted problems in the statistical interpretations of the results. In effect, too many mutually reinforcing causal variables were simultaneously moving in the same direction to attribute growth causality firmly to any one of them. Many infrastructure economists stopped using the approach (including Infrastructure Canada in 2007).

The CHRA study did not include any innovative statistical methods to overcome that problem and, if anything, compounded the problem by attributing productivity gains to different regional economies through additions of different numbers of non-profit homes. Productivity gains in real contexts would depend on where homes were located and whether they housed key workers or retired elderly households with support needs. Of course, economists and others advising Ministers allocating resources to housing policy purposes can be quick to discard analyses they do not find credible. That growth disaggregation model could be run for the UK, with regional dis-aggregations, but would be unlikely to produce credible, clear, policy impactful results. It is not a likely credible basis for the productivity story in the economic narrative for associations.

Applied economics usually requires practitioners to build some 'real' flesh on the mainstream 'skeleton' of economic theory. They do so by building back in some more realistic assumptions and the commodities, markets, and decision complexities consistent with the systems being analysed. For instance, agricultural economics, health economics, and labour economics are widely developed sub-fields of experience and evidence. Housing economics has been much less widely developed except in the USA, and the mismatches between the 'mainstream' and what seems credible (keeping the baby in the bath!) is set out in Maclennan (2012). When we consider further what housing is, the 'object', the 'noun' it becomes apparent why the narrative for associations should not start from or rely upon over-aggregated approaches but build the cases and stories from the 'local' upwards.

2.2.1 Housing the Noun

There are at least seven inherent aspects of housing that often make conventional theorising and empirical research on (and policy for) the sector complicated.

a) The first, is that it is a complex, durable capital structure so that it provides infrastructure of size, shape, design and energy efficiency for how different kinds and sizes of households to use shelter and space to lead their domestic lives.
b) The second, is that (mobile homes excepted) the capital structure of 'home' is embedded in the ground and fixed in 'place' relation to the multiple sites in a city or region that household members use on a daily or high frequency basis to lead their economic and social lives.
c) The third, is that fixed in location means that owning or renting also 'places' the households in a neighbourhood of greater or lesser public and private service provision and amenity, and social composition and standing.
d) The fourth, is that the attributes of the home and neighbourhood are so important in the consumption behaviours of households that they require a substantial share of household spending to rent or own the home.
e) The fifth, is that for those who own the home, the dwelling becomes a major capital asset so that housing asset demands become larger than household consumption requirements and that price trends and expectations become critical elements in housing choices.
f) The sixth, and often neglected, consideration is that housing is inherently a 'relational good or asset' both in private consumption and public policy design. Consumers want housing/household services such as 'comfort', 'privacy' and 'accessibility'. But to secure these 'services' more than the different capital attributes of the dwelling are required. 'Comfort' requires heating and cooling, and hot and cold water, so that adequate energy and water supply flow through the housing attributes. Equally, access to public and private transport options, and their costs, is required to transform 'location' into accessibility services. Housing must be understood as part of the household's economic system that highlights the synergies in consumption patterns. Essentially the same point must be made in relation to public policy, providing homes for the homeless without support services often fails, homes unrelated to transport and other infrastructures may have negative rather than positive effects on real household incomes and productivities. In short, the productivity, and policy mission fulfilling, effects of potentially good housing outcomes are never driven by homes alone but the places and programmes into which they are embedded.
g) The seventh complication, and underpinning housing connections to other sector activities, is that the planning, design, location and utilisation of housing generate significant 'spillover' or externality effects. How I design and locate my home impacts, positively or negatively, on how others enjoy their residential experience. Co-locate concentrations of poorer households and poorer quality homes and health, educational and security externalities become apparent.

These seven intrinsic features of housing making it a difficult 'good' to analyse in the reductionist stripped down models of mainstream economics.

Many leading economists are often satisfied with estimating 'reductionist' models where the modelling results fit observed behaviours (or, sometimes, ex ante 'beliefs) and ask those more inclined to 'real housing feature' models, 'why make it so complicated?'. The answer to that lies in a desire to pull the right policy levers to improve outcomes. Where stripped down models leave multiple competing explanations with 'explanatory' variables positively correlated (as in the 'growth disaggregation model' or 'regulation' explanations of inelastic housing supplies cited above) there is a danger that the wrong silo policy choice is made when a more coherent systems solution needs to be implemented.

The narrative for how housing association outcomes may impact the economy has to be rooted not only in what housing associations do but in a real understanding of how housing activities and outcomes play into the economy. They are, after all, a significant share of Scotland's housing investment and provision system, see below, and that overall housing system is major and not minor in shaping the economy, society and environment of the nation.

Policy needs to see, understand and manage that system. What does housing association activity do for Scotland's economy? Much more research is required to adequately answer that question, or set of questions, but a start to that process is attempted below.

2.3 What Does Housing do in the Economy?

2.3.1 The Top-Level Trinity

The new, or expanded, narrative for the Scottish housing association sector must, at the very least, address all the main questions of Ministers and officials of both Scottish and UK governments. Typically, these are housing effects on: 'economic and financial stability', 'the distributions of income and wealth', and 'productivity and growth'.

These different 'high-level' connections between housing and the economic system are highlighted in Figure 2.1 on the following page. To have a general framing of the major connections the diagram show how key market outcomes, in this instance house prices and changes impact 'activities' through Route 1, wealth and residual incomes through Route 2, and into potential growth and productivity effects through Route 3. System connections are, in reality, more complex and are often difficult to estimate with real precision.

The bulk of this report focusses on the third of these themes, not just because it is currently important (and can be relatively easily translated into 'wellbeing' notions of growth though, oddly there is no published mapping of Scotland's housing outcomes into the much worked on and seldom used National Performance Framework; SFHA should do that work for the sector as part of their resource case to government) but because it is essentially 'missing' in any coherent, usable form.

2.3.2 A Narrative that Speaks to Multiple Levels of Decision Takers

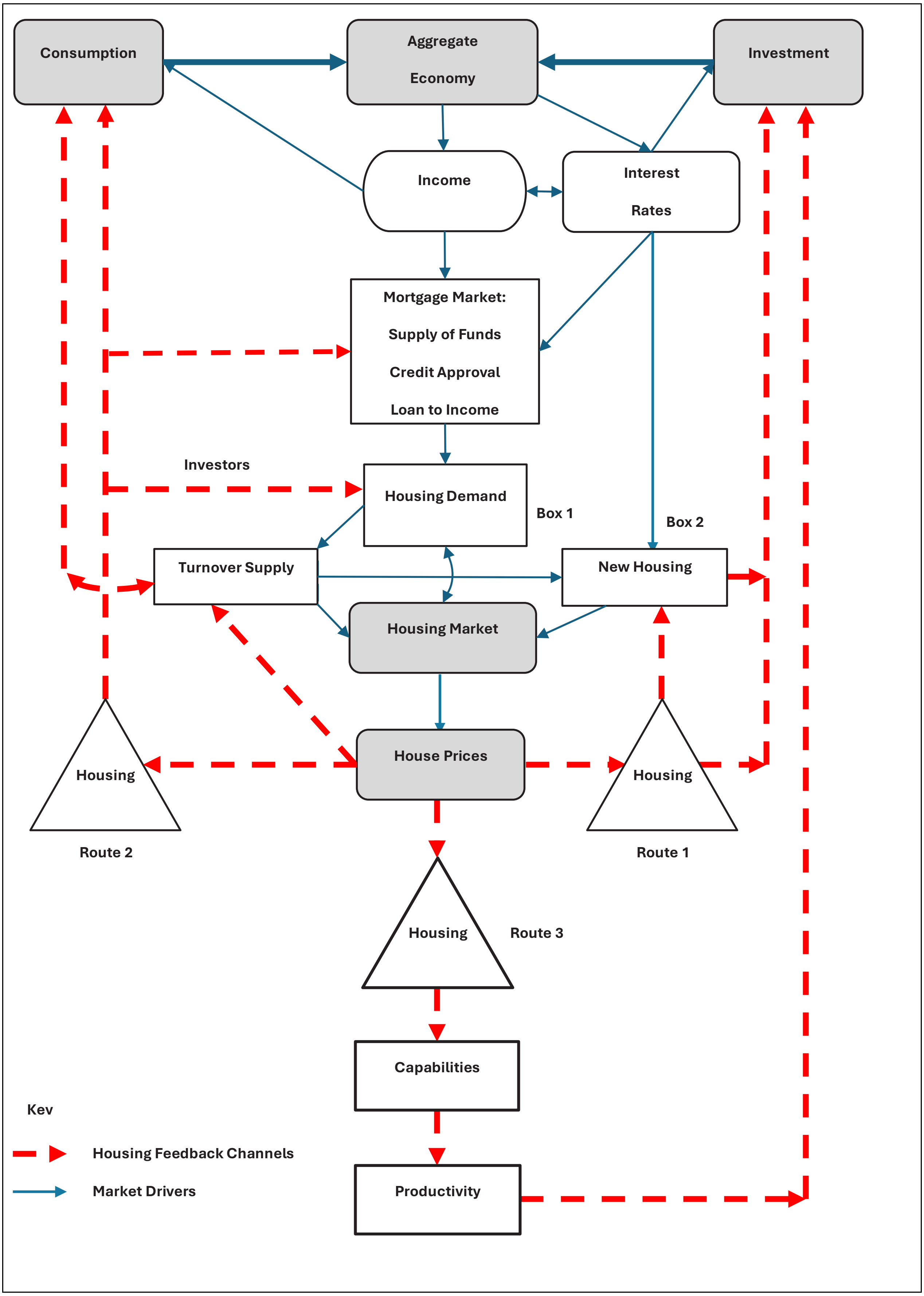
The Narrative must embrace not only three major economic goals (as well as the 'preventative effects, arising from the 'relational' nature of housing, of good outcomes in reducing public spending required in other fields of policy spending) but will have to engage with (at least) three levels of spatial/geographic aggregation.

The ways in which these levels are chosen and specified for applied work has important implications for how stories can be credible established and assessed. At the macroeconomic scale, of the UK or Scottish scales, economics research has been reliant (as noted above) on highly reductionist econometric models, usually assuming well behaved markets are operating.

Until, at this macro scale, more sophisticated and nuanced models that recognise the real nature of housing systems are developed the results are likely to be unhelpful and quickly dismissed by Treasury economic experts. Similar comments might be made at the next spatial scale 'down' from the national level, namely the region, whether city, or rural region. The investment to growth modelling that prefaced the Development of City Deal bids shows how undeveloped and unsophisticated this scale of spatial growth modelling is in Scotland and the UK more generally.

No Scottish city-region has been bothered to develop econometric or scenario planning/futures models at all, let alone for the housing sector. That omission may reflect data difficulties, modelling difficulties at more open local scales or, simply, a failure to regard the housing sector as of any real economic significance (as for instance in the Glasgow City Region Deal).

Figure 2.1: Stylised housing system connections and feedback



Source: Adapted by authors from https://www.unsw.edu.au/content/dam/pdfs/ada/city-futures/Productivity_Final.pdf

This omission is important because it is at the functional economic region scales that housing, transport and labour markets interact not only to shape the current productivity of metro-regional economies but also build the future spatial structure or geography of where we live and work. Yet in Scottish city-region research there is a relentless, repetitive focus on skills, labour markets and innovation, and little sense of housing effects within incomplete, and unmodelled regional infrastructure and spatial strategies.

Marianna Mazzucato (2018), a longstanding adviser to the Scottish (and other governments) in her work on entrepreneurial economies, argues that the key economic role for the state is to create the 'platforms' on which markets can work. Creating an effective housing infrastructure in the right places to serve the Scottish Government's major missions is a key growth challenges for Scotland and it is one that the SG urgently need to meet and to understand what associations contribute to these missions at national, regional and neighbourhood scales.

Our response to this lacuna of local and metropolitan modelling is not to start our narrative search 'macro and reductionist', but to develop a complex bottom- up perspective from the local to the national. 'Local economic development/ Local Economic Partnerships' have become core activities at subnational scales across Scotland, the UK and the OECD. An outstanding review of the field, policy and practice has recently been published by Glenn Athey (2026). Yet it suggests a still undeveloped patchwork of the understanding of housing to local economic issues, and the participation of housing sectors in the governance of local economic change in Scotland.

What can be said about the achievement of major economic outcomes through actions by the housing association sector in Scotland?

2.3.3 Two out of Three Clearly Established.

There is a clear recognition of the stability cases for housing investment as counter-cyclical fiscal policy expenditure and housing investment as a major source of wider impact. They have been, and should remain, important elements in the housing narrative for associations.

2.3.4 Stability and Income/Employment Impacts.

Boyle et al (2022), examined the economic and wellbeing impacts '*that would result from building 35,000 social homes*' in Scotland. They touched on productivity effects but much of the research highlighted conventional shorter-term impacts.

Similar studies exist elsewhere for the UK, though none focus on the not-for-profit sector. In Northern Ireland, Foden et al (2015, p. 1 & 4) set out '*to assess the economic impact of social housing organisations on Northern Ireland's economy*'. The analysis used 'output expenditure, gross added value and employment' to determine the direct impact, indirect supplier effects, and indirect income-induced effects produced by social housing organisations. The report concluded that in 2012/13 social housing organisations made a direct economic output via expenditure of £536m, supporting a further £615m in supply chain effects. They produced £346m in GVA, leading to a further £214m in GVA in the wider economy. And they directly employed 4,796, supporting a further 10,640. A similar approach has been adopted by Savills (2025) in a project for Community Housing Cymru, which set out to '*assess the socio-economic impact of Welsh Housing Associations*'. It evaluates both the extant impact of the sector and the impact of delivering a further 20,000 homes. With regards the former, it concludes that Welsh housing associations directly produced £0.7bn in GVA and support a further £0.7bn, directly employ 21,950 people and support a further 15,090 jobs through supply chain and induced income effects. The scale of the multiplier effects presented in each report are notable.

Such work is feasible in Scotland, and potentially useful, but does not develop a broader conceptual framework for understanding the housing sector's economic contributions, through what and where it builds and for whom, to longer term growth and productivity effects.

In a similar vein to Boyle and Husbands (2020), CEBR, commissioned by Shelter (UK) and the National Housing Federation sought to '*assess the economic and social impacts of building 90,000 social homes*' annually in England over a ten-year period. It did so by modelling the impact of both building and managing the homes across several direct, aggregate and in-direct metrics. That report provides one of the most comprehensive contemporary economic modelling assessments of the potential impacts of expanding social housing provision, and underpinned a subsequent Shelter (2024) report , 'Brick by Brick', that established a policy narrative that advocated the building of 900,000 social homes in England at a pace of 90,000 per year.

A 2025 follow-up by Shelter 'More than Bricks' (in partnership with IKEA[1]) uses updated the CEBR modelling to shift the focus from the benefits of action advocated in 'Brick by Brick' to '*the economic impact of inaction*', or more specifically, the impact of not building sufficient social homes in the timescales required. It also incorporated interim findings drawn from a linked HACT (2025) report, which focuses on '*the human impact of moving into a social rent home.*' Whereas as the 2024 CEBR report states that the building of social homes '*yields a net positive social and economic impact, with an estimated aggregate net benefit of £51.2 billion' (Cebr, 2024, p. 52)*, the 2025 interim Shelter report suggests that '*the costs associated with not delivering 90,000 social rent homes a year increase over time*' with headline figure of *'£556bn over 30 years*' (Shelter, 2025, p. 14). Whilst these reports make an interesting contribution, the focus remains on the English sector, and they do not include productivity and growth effects of investments.[2]

The sector stabilisation narrative should now also include that shifts in the funding arrangements for the sector have made it more pro-cyclical and it is critical not to cut back on most deeply subsidised investment when (in a downturn) it is most needed. Further, in relation to financial stability, the financial performance of the sector has been tightly regulated, and the sector has itself resolved any significant issues through support and merger. The narrative needs to stress its stability, vis-à-vis the market sector. Growing the Scottish association sector will potentially enhance the overall stability

[1] More Than Bricks: Stories of Home, Shelter and Ikea July 2026
[2] Safe as Houses, Why Investment in Social Housing is Great for us All, Shelter England, 2025

of the Scottish economy. Housing precarious households in private rental housing and homeownership, a growing problem in Scotland, will increase economic instability in downturns.

In relation to the distributions of income and wealth housing associations have two major effects. By providing good quality rental housing at below market rents, housing associations increase the residual incomes after housing costs of significant numbers of tenants (or if tenants are on Housing Benefit transfer from low-quality, high rent private tenancies then the capital subsidy embedded in the association tenancy may reduce benefit spending). Where the provision of adequate numbers of association homes occurs then association provision can temper increases in local housing prices and rents and benefit the residual incomes of more than association tenants. The existence and extent of these effects, and how they could be enhanced, requires much more research and modelling. Where associations have such effects then they may reduce the growing inequalities in wealth in Scotland that are partly too attributable to the increasing roles of housing wealth and debt in Scotland (Soaita, 2019; Bingham and Judge, 2019).

Enough is already known and assembled to build them in as strongly positive aspects of association activity in the economic narrative (they are not merely ‘social outcomes’). The ‘growth and productivity’ narrative, now so troubling government is a different story.

Section B: Evidence and Findings

3 Housing Effects On The Economy

3.1 Housing, Growth and Productivity

3.1.1 A Lost, Missing Perspective

The way in which housing outcomes are understood, by researchers and policymakers has changed over time as, especially after the 1960's the structures of well-established siloes emerged in both government and academia. Social researchers, arguably the research community that most influences the non-profit sector, see the provision of decent low-income housing as a socially just meeting of needs (often labelled by economists as 'merit good' support). So did early housing reformers, not least the Chief Medical Officers of Scotland's cities after the 1880's. However, they also had a clear understanding the erosion of the health of working age people reduced their 'capabilities', in effect the stock of labour supply and its productivity.

Why did that capabilities concern disappear in Scottish housing policy until recent years? In the 1935 Special Areas Act, designed to deal with acute regional inequalities across the UK, there was much concern with regional investment, labour supply and land. But there was also an explicit recognition that slum housing in poorer regions eroded capabilities and created negative place externalities and images. In the last decade, the recent Scottish City Deals, despite their infrastructure emphasis, have mostly been weak on housing-economy interactions (and the engagement of the housing sector in their governance arrangements); major academic studies of what made cities economic successes (such as Martin et al, 2019) just simply ignore housing sector change as an influence on Glasgow's recovery. More surprisingly, the Scottish local economic development peak body, EDAS, have paid scant attention to housing-economy interactions, even given recent EDAS emphasis on community wealth building (with, arguably Scottish housing associations being the largest concentration of community wealth and wellbeing providers and asset holders in any UK region!).

The housing, capability, asset impacts and effects have existed in the last century of Scottish policy thinking but the thread of housing-prosperity thinking has been broken for half a century and remained so despite Scottish Homes efforts (1989-2003) to recover missing links. They need to be reconnected now, and the paragraphs below outline a sketch plan, based on what we do and don't know, for SFHA to create a strong narrative of association effects. The framework outlined could serve as a research agenda for the Scottish housing sector, it could help shape high level policy discussions. Again, emphasising the bottom-up change required, it could also act as a framework for associations to ask themselves questions about the economic consequences of what they do and how they prioritise investments (and indeed, simply make much better use of the large amounts of data they already collect, see below).

The nature of housing, as outlined above, as 'activity', noun' and 'relational policy sector' demands a systems approach to framing, modelling, and estimating housing-growth effects. The current state of the art (and applied economics is as much of an art as a science) precludes system estimates and the approach below is to construct the association growth and productivity narrative in three sections. These are the growth effects associated with activities; the productivity consequences of housing characteristics outcomes; and the 'relational' effects of housing outcomes for other areas of public spending and budgets. Looking back, the foundational document for Scottish housing policy thinking (Housing 2040, SG, 2019), notes many of these influences but without providing a coherent framework nor estimates of effects of different policy choices.

This section of the report briefly reports on evidence of impacts on 'activities', majors on the growth effects of dwelling characteristic and price outcomes and notes some major estimates of 'relational' effects on other government programmes. For brevity, the results are presented assertively and summarily with references for readers to follow-up more nuanced reading.

3.1.2 Activities

It was suggested above that housing investment and turnover related activities have important, and cyclical, effects on employment and income in the economy and that over time with the growing scale of homeownership, dwelling prices have exaggerated cyclical effects through equity withdrawal and 'feel-good' effects. The broad frameworks of Housing-Economy 'activity' connections are indicated in Figure 3.1. There are research capabilities in Scotland, not least the FAI, that could readily undertake that work and a number of associations have, in the past, commissioned 'impact studies'. There is a case for a wider definition of housing 'activity' multiplier effects, to include housing turnover related spending and present sector multiplier effects (typically of 2-3 over a 3-year period) would be enhanced.

There is little understanding of how the (LBBT) taxation of housing ownership transfers has wider productivity effects, but it must have a dampening effect on labour mobility of intending homeowners to Scotland's higher priced, and growing localities, especially in east-central Scotland and growing rural areas. This will have major implications for more marginal borrowers with reliance on mortgage finance rather than own/family equity to support entry to and movement within home ownership. Where key workers, especially on constrained public sector wages, are involved there is a case for involvement of associations in providing either quality rental options whilst workers save longer, or to redesign a rental to ownership model, but without diverting funding from low-income social rental provision.

Housing association provision that means reducing the number of precarious homebuyers helps improve the stability of the housing market and the economy. In short, every local economic development partnership in Scotland should have a sense of how associations with track records in 'wider housing provision' could enhance local labour mobility, income mix and economic stability.

The effectiveness, or productivity, of sectors providing market responses to housing needs and demands (estate agents and lenders, for example) has, internationally, a patchy history and geography. Much focus has been on 'construction sector productivity' and the potential productivity gains from modular and new methods of construction. Broadly, across multiple economies, labour productivity and overall productivity in the construction sector, given the complex supply chains in the sector, is plausibly below average economy levels (see Maclennan and Fleming, 2025). This will, without any adverse planning effect in play, will tend to raise real house prices as economic growth raises incomes and housing demand faster than supply side productivity increases. Emerging research, from Canada and Australia suggests that modular and modern methods of construction can raise construction productivity but only where providers can operate at sufficient scale (of more than 2000 dwellings per annum in regional markets) with stable or rising demand levels.

The role that Scottish associations could play in developing the new modular industry should be a major part of the SFHA economy narrative. In Canada, Prime Minister Mark Carney has been a strong advocate for the approach that the new agency, Build Canada Homes, will prioritise both the non-profit sector and modular homes. Why should the new More Homes Scotland be any different? The UKRI Productivity Institute is looking at questions of construction efficiency and innovation, but somewhat disappointingly both at the UK and Scottish levels, has not tackled the wider productivity effects stemming from housing attributes and their prices.

3.1.3 Housing Prices and Productivity

Earlier in the report there was a critique of standard growth disaggregation models attempting macroeconomic estimates of impacts of rates of aggregate housing investment on national or regional output increases. Similarly aggregative and reductionist models, as also noted above, have been applied to housing supply effects on housing prices and productivity. The first part of this section reports on evidence that can be gleaned from that approach and then explores the real characteristics approach noted above.

Several important, recent studies at national and regional scales have explored the links between rising real house prices and productivity growth in subsequent years. Melissa Talbot (2025) reported, after detailed econometric modelling, that in Canada in this millennium a 10% increase in real house prices is associated with a 1.17% drop in multi-factor productivity within two years and as Canadian real house prices rose by 190% between 2000 and 2024 this implies a major impact on slowing productivity growth in Canada). Talbot posits that the disruptive effects of rising house prices diminish labour mobility to growing, productive places and thus constrains labour supply growth, and firm growth, in such places. US analysts, notably Brown and Matsa (2020) also highlight how high house price inflation disrupts labour mobility and lowers productivity growth. Gholipour et al (2023) have produced important econometric evidence, over the period 1972 to 2019 across 24 OECD economies, that reports that 'labour productivity growth is negatively and significantly associated with real house price increases', without attributing particular causalities.

Two important, recent UK studies reinforce the high house price/productivity effect. Econometric analysis by NERA (2024) reported that for London a 10% rise in housing costs relative to incomes reduced productivity by around 3.1%. Alma Economics, for Homes England, (2025) largely confirmed that result for London and the wider South-east and reported that increased housing supply of 5%, would dampen prices by 10% and increase productivity by 3.1%. However, they could not establish significant housing price/productivity relationships in other regions of England.

There are also sub-national studies that show that house price increases that divert households to living further (and further) away from major job concentrations within urban agglomerations can have negative effects on productivity. 'Location' characteristic choices impact labour productivity in Australian cities (Maclennan et al 2021).

Longer commutes lead to lost productivity as workers spend longer time travelling to work (and increases in commuting distances, Covid period and effects excepted, have been apparent in and around Scotland's two major metropolitan labour markets). However, Maclennan et al (2021), in a detailed assessment for the Sydney metropolitan area argued that there was also a loss from poorer labour market matching of vacancies and applicants and simulated the effects of housing 'displaced' workers on vacant sites close to central Sydney. Modelling suggested this reduced skill-matching reduced productivity by more than 2% per annum (more that the travel time effect). Housing price outcomes reduce productivity unless policy, including actions by non-profits, reduce them.

Although evidence on commuting times has been disrupted by boundary changes and 'covid' (working from home effects) there is enough to suggest that housing induced longer commuting times and distances in and around the Edinburgh travel-to-work area are longer and have increased more than for other Scottish cities in this millennium and this may impair productivity growth in significant ways. It remains a largely unresearched and undiscussed topic in Scottish housing and economic development policies.

There is also a much larger body of work, that is more widely cited in the mainstream economics literature, that links housing price outcomes and labour productivity outcomes but then identifies planning and lands use regulation as the dominant cause of the problem. Hsieh and Moretti (2019) estimate that house price increases in growing US cities prevent workers moving to high productivity jobs in growing urban agglomerations and that lowered US productivity by between 3 to 9% per annum. In line with the work of a raft of US studies, they attribute the price pressure to supply inelasticity arising from restrictive zoning and planning devices. Similar approaches and interpretations can be found for the UK in Cheshire (2018) and Hilber (2015).

There is, then, wide agreement that high and increasing house prices disrupt labour markets and reduce productivity growth. There is, however, marked disagreement about causality. Maclennan and Long (2025) express reservations about the limited explanatory variables used to explain supply inelasticities in 'regulatory effect' studies. They typically disregard much evidence on the nature of construction firms/industries, and the often complex, disrupted housing supply chains and focus only on planning and land availability (that is probably one inflexibility amongst many missed out in estimations). Estimations also usually fail to model the simultaneous effects of price changes on supply and demand systems. There is a reasonable concern that an intellectual school of thought, the neoclassical economics mainstream, that likes markets and doesn't like planning, may have been less than detached in pursuing explanations of house price change.

Aside from more complex supply chain and demand side effects there is another major, potential channel connecting house price inflation to productivity. With inelastic housing supply (whatever the cause), rising incomes, past housing wealth accumulation, low interest rates and relatively loose (and especially unconventional) monetary policies may both incentivise and enable households to raise their housing borrowing and divert more of their savings and assets into 'scarce' housing assets that yield high (and often untaxed) capital gains.

An economy can invest 'too much' in housing, though simultaneously produce too few new homes, when households reallocate their capital to capture 'rentier returns' from scarce assets rather than invest in innovation and enterprise in the productive growth sectors of the economy (Maclennan and Fleming, 2025; Smith and Wood, 2026). Of course, if central banks take the view that the markets, and not they, should determine asset prices they may pursue an intendedly short-term productivity goal that fosters over-investment in existing housing that lowers long term economic growth. Governments have long ignored these arguments but there are the faintest signs, and in Australia some strong measures, that taxing unearned gains in the housing sector could resource better programmes for younger and less affluent households. The SFHA housing-economy narrative needs to be at the forefront of the policy thinking that Scotland that meets needs for the future and not ignore unearned gains from the past.

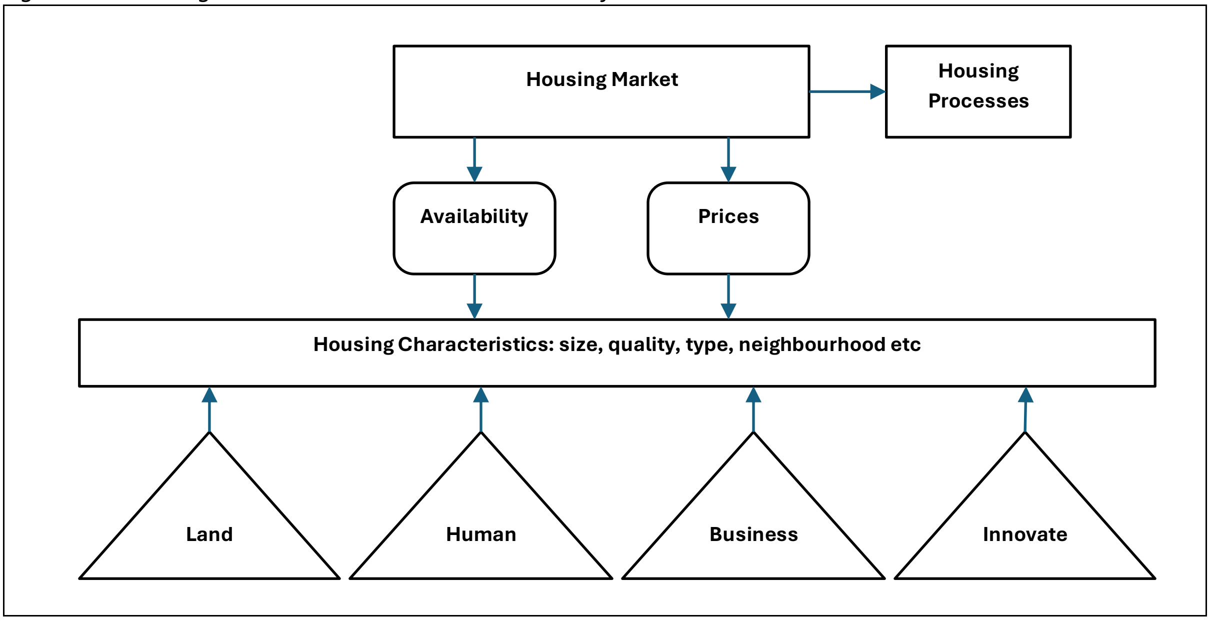
3.1.4 Housing Characteristics/Attributes and Productivity effects

Whilst mainstream economics has focussed on real house price changes and productivity effects, though there is no study for Scotland, and (misleadingly) over-focussed on undoubtedly relevant regulatory effects, there has been much less work on how housing attributes impact the formation and utilisation of different forms of capital in an economy (Maclennan and Long, 2024).

Aggregate growth models stress the importance of the supply and quality of human capital (labour productivity), and physical/financial capital investment (capital productivity) with technological change often a 'residual' in explaining economic growth and productivity. Although government in England have now abandoned the rhetoric of 'levelling-up', their background review of ideas and concepts for understanding local economic change remains useful. It highlights the multiple forms of 'capital' that can shift the trajectories of places and make them more productive. There is, bringing the topic closer to what housing associations do, an emerging major European strand of economic geography literature (Rodrigues-Pose, 2024) and consolidated insights from local economic development projects in the UK (Athey, 2026) that highlight different forms of capital in local economic change. They include the conventional growth theory categories, but much more including social, place, entrepreneurial, political, institutional (thickness), and community capitals as shapers of the design and delivery of local economic change. That less reductionist approach to what shapes growth is much more readily integrable with a 'real' understanding of what housing is and does. Exploring and highlighting these connections in an economic narrative for SFHA will strengthen both Scottish and local, housing and economic development policy design and delivery.

Maclennan and Long (2024) outline a starting framework where housing market and non-market outcomes experienced by households (that can include the price and price change effects noted in the previous section) influence their economic capabilities, or 'capitals' and productivity. That Housing Characteristics-Economic Outcomes framework is presented in simplified form in Figure 3.1 and incorporates the price effects noted in the section above.

Figure 3.1: Housing characteristics-economic outcomes framework



Source: Adapted by authors from https://www.unsw.edu.au/content/dam/pdfs/ada/city-futures/Productivity_Final.pdf

There are so many potential housing to economy effects to begin to track. For instance, Reuschke and Maclennan (2015). and subsequent work by Reuschke, highlights how housing assets and neighbourhood amenities impact the formation and growth of new small businesses. However, this section focusses narrowly on housing -to other sector effects that are well known in Scotland. It should be stressed that almost none of the connections emphasised below have come out of major, or even minor, housing research programmes fostered by the Scottish Government or UK Research Councils (and that would hold true for most countries with the exception of Australia and the AHURI research programme). They are housing insights that can be gleaned from major research programmes and evaluations funded in relation to health, education and crime issues rather than any real attempt to map and measure the outcomes of housing investment programmes.

In effect, associations, the housing sector and housing policymakers know these effects already exist (many of these effects are noted but unquantified in the 2040 strategy). There is evidence from research in other sectors of the potency of housing effects in shaping the formation and use of human capital. But the evidence is fragmented, it is not consistently modelled, and **the cost consequences of poor housing outcomes for other public spending silos and the wider economy are unmeasured.**

Little wonder the housing system drags down Scottish economic performance, both productivity and inclusion, when we know both some of the drag effects and how to fix them.

In constructing a sector narrative incorporating these economic (as well as social) effects SFHA could induce the Scottish Government and its new agency to get serious about understanding what the Scottish housing system does and the roles associations might play in producing better outcomes.

However, the case must be made. *Prosperity Begins at Home (2025)* notes that there is not just Scottish, but international evidence, that housing characteristics and price outcomes can impact health, mental health, education, and child development outcomes in ways that impact the long run labour productivity of a place or economy.

In relation to health outcomes, numerous Scottish studies have highlighted that poor 'characteristics' outcomes impact, mortality rates, injuries at home, respiratory illness, exacerbate fuel poverty and its impacts on child, adult, and elderly health, and is associated with rising rates of mental ill-health. The preparatory work for Housing to 2040 noted all, and more, of these important mechanisms.

These housing outcomes have two kinds of effects, both of which need to be understood and estimated.

In the context of this discussion, their impacts on human capital formation, and place and community capitals, and utilisation need to be estimated. They raise absenteeism from schools (contributing directly to diminished child development and school performance especially in poorer areas). They raise absenteeism for working age adults and lower the incomes of the already relatively poor. The labour market effects of these poor housing outcomes remain unmeasured. There is evidence too (from Gowell and other studies) that decent homes ameliorate some of these effects.

Similar government, academic and sector reviews of educational outcomes in Scotland, and elsewhere, highlight ways in which poor housing damages the development of human capital, not just in childhood but over the life course. Whilst the number of children in temporary housing and poor housing in Scotland rises in this polycrisis, the Growing Up in Scotland study revealed that more stable, high quality, more spacious homes in supportive, child-friendly neighbourhoods facilitate readiness to learn and cognitive development. Better homes improve the sleeping performance of children, improve their mental wellbeing and are associated with fewer and shorter school absences.

The scale of the productivity reductions arising from these housing induced health and education effects remains ignored in housing research and policy design. This substantially undervalues what housing associations achieve.

However, it was noted above that the 'relational' nature of housing means that good housing outcomes interact at neighbourhood and regional/metropolitan scales with other public policy programmes to create progress towards major 'missions' of municipal and Scottish governments. Bad outcomes detract from such progress.

The health and education linkages were stressed above in relation to how they impacted people and productivity. Other housing connections matter too housing, transport and other infrastructure always interact to shape economic outcomes at regional and neighbourhood scales, and housing design and management have important connections to important aspects of community security and cohesion. When the housing element of these 'integrated' missions is missing then either the mission underachieves and wastes other programme expenditures missing the positive 'housing' synergy or other programmes compensate by raising their expenditures. For instance, 'missing' housing' raises spending on policing budgets, through a raft of effects from bed-blocking to higher NHS usage arising from 'housing' induced physical and mental illness raises health expenditures, and the housing effects that impair learning and labour market integration show up as costs, inter alia, for training programmes. Too little housing too late, raises other public programme costs and reduces their effectiveness.

Recognition of the 'systemic' effects of housing outcomes on public programmes and that better housing 'prevents' costly impacts on other programmes needs to lie at the heart of housing policy making and at the case to increase expenditures on creating more earlier good housing effects. 'Housing First' is an action rule for governments that applies to much more than 'homelessness' programmes.

'Preventative Housing Policy' has been emphasised by the housing sector. It is not to be confused with 'Productivity Housing Policy', though they overlap, not least as Preventative Policy raises the productivity of public capital expenditure (and that is a major economic policy gain). Over the last decade, particularly, the Scottish (and other) housing lobbies have confirmed the importance of this part of the broader economic narrative. Indeed, it is the dominant extant sector narrative (see further below).

3.2 The 'Preventative' Narrative.

The discussion above highlights that housing is best viewed as residential infrastructure which impacts social, environmental, and wider economic outcomes (Bergan & Power, 2024; Flanagan et al., 2019; Maclennan & Fleming, 2025; Maclennan et al., 2015). However, most of the metrics used by local and national governments and associated agencies, to assess programme progress focus on housing only programme expenditures and costs and limited measures of social benefits[3]. Scottish governments, since before devolution, have not been uninterested in wider impacts and spending programme overlaps, and from time to time have reviewed evidence (mostly from other jurisdictions) but they have never researched them nor utilised them systematically within budget decision making.

[3] See for example:

- https://www.gov.scot/policies/more-homes/affordable-housing-supply/
- https://www.gov.uk/government/statistics/dwp-benefits-statistics-february-2025/dwp-benefits-statistics-february-2025#sect-4
- https://assets.publishing.service.gov.uk/media/6a5f7441ef64078ab2e8d3ce/PSF_Bulletin_June_2026.pdf

The third sector in Scotland, and beyond, has also shown a more active interest making the wider cases for housing investment including spillover effects on other sectors of the Scottish budget. Gibb et al. (2020), emphasised not only the unduly narrow focus on social outcomes in assessing Scottish housing policy outcomes, but also stressed the importance of the recognition of the 'preventative spending' role of housing and the need to '*strengthen the sector's position when making representations to government (and other key stakeholders), about the urgent need to invest in more social housing'.*[4]

The 'impact/multiplier' studies discussed above typically focus on official housing, employment and income figures at aggregate scales and don't fully reveal housing impacts on other areas of public expenditure. Several studies use households as the unit of analysis and explore the economic contribution derived from creating new units. Clifford et al. (2024) consider the economic and social contribution of social housing using housing association tenancies granted as the unit of analysis. Based on a sample of 6 housing associations representing 221,398 tenancies, the report uses counterfactuals to estimate the additional social and economic value associated with moving to a social tenancy relative to remaining in alternative housing circumstances. The report claims that the household stability available in social housing means that '*76,555 more adults*' were enabled to be in work than would be the case if those tenants were housed in less stable alternative forms of accommodation, and furthermore, that presenteeism and absenteeism amongst those workers would be greatly reduced. The social value (that includes programme spillover and <u>some</u> productivity effects) of this is estimated to be around £1.8bn. This process is repeated across 8 other dimension or 'stakeholders' and added to calculated impacts for construction and maintenance activity to produce a '*total annual social value per participant HA tenancy*' of £23,777, which equates to around £5.27bn across the participants 221,398 tenancies[5].

A parallel three-year research programme commissioned by Shelter Scotland and delivered by HACT adopts a related social value valuation approach (HACT, 2022, 2024; Shelter Scotland, 2025). However, rather than estimating the value associated with occupying a social tenancy relative to an alternative housing circumstance, HACT measure changes in residents' outcomes following a move into social housing and values those outcomes using its Social Value Bank. The final report finds that '*a social home generate[s] an average of £11,638.91 in social value per resident*' (Shelter Scotland, 2025, p. 33).

While the approaches adopted by both Clifford et al. (2024) and the HACT/Shelter work provide useful insights, their findings necessarily rely on counterfactual assumptions, subjective wellbeing evaluations, and financial proxies that are model dependent. That said, it is important that the Scottish Government assume a more direct responsibility for researching and modelling and making available to the housing sector and the public their understanding of the programme spillover and productivity effects of housing outcomes and gaps in provision. In recent years the proliferation of sector funded reports, especially in England (that Scottish third sector bodies have often been unable to afford) have improved knowledge of short-term economic impacts, but not productivity

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[4] The report also made an important attempt to link housing outcomes to the National Performance Framework and noted the near absence of economic metrics linking housing outcomes to 'prosperous' Scotland performance.

[5] Updated figures are now available for 2024/25. We used figures from the 2023/24 report (https://www.hyde-housing.co.uk/media/z5wbk1r0/vost-2025-sonnet-summary-report.pdf) because it provides a more detailed account of the approach.

effects, and have but principally progressed social value of social housing measures. That work signals that sector stakeholders are developing a clearer understanding of the wider role of housing in public outcomes.

Stronger estimates of the preventative benefits of good housing outcomes are required, and they apply well beyond health and education outcomes. Interviews for this project reveal strong sector awareness of how the lack of preventative-systems budgeting within governments and agencies in Scotland inhibits the formation of adequately resourced/coordinated programmes for homelessness, and the alignment of assets, care and health needs in elderly housing provision.

Major studies by leading housing associations (Bield, Hanover and Trust) have all highlighted how inadequate provision of housing for elderly and frail households impose significant and steadily rising costs on the NHS. Poor housing governance, devoid of systems thinking and budgeting, will leave household outcomes deteriorating and costs rising as siloes fail to adjust quickly to the wicked system issues in place.

Within the housing association sector, there has been growing interest on these housing spillover effects onto the costs facing other silos of public provision through the estimation of the Social Return on Investment for Projects. The interviews undertaken for this project, see further below, highlighted that several associations have undertaken such estimates and typically found an SROI of around 4 for diverse programmes, whereas elderly housing projects had a higher SROI of around 6. These estimates do not include any estimate of the costs of reduced labour or other element of productivity.

This discussion whilst highlighting the diversity of housing outcomes and their programme spending spillovers (emphasising the key ‘relational role associations play) also highlights that there are multiple scraps of evidence of the wider public spending and productivity effects of poor housing outcomes.

Clearly, better housing outcomes will reduce required spending on other core silo budgets. This draws attention to a fundamental question that SFHA, with others, now need to answer:

> ***By how much would an additional £1 billion spent through a ‘typical’ housing association programme (or selected sub-sector of spending) reduce required public spending on other Scottish government programmes?***

If government, or the sector, cannot answer that question they are failing to keep up with good international practice. And the answer will not come from ‘scraps of evidence for the narrative’.

In Spring 2026 CANCEA (the Canadian Centre for Economic Analysis, a leading Canadian economic modelling consortium) using sophisticated and robust econometric techniques modelled for the Toronto Community Housing Corporation (and a group of proximate public housing providers) the impacts of a range of additional housing investment budgets on other (limited areas) of public spending. Over a thirty-year time horizon, savings for the health sector from enhanced investment in new and upgraded public housing would more than pay for the cost of the public housing required. This is the state-of-the-art study. It’s time, in Scotland, for the scraps of the housing and health, and education, and homelessness and social care stories to be modelled, with the rigour of the CANCEA approach, and set at the centre of a rethought 'systems' allocation of public budgets in Scotland.

Equally, and econometrically more difficult, it is now imperative to understand, model, and estimate the effects of housing outcomes on economic growth. In the meantime, as a first step this report has the modest aim of moving along the narrative development by reporting new work on what associations do and reveal why and how they matter across the local places and economies of Scotland.

4 Scottish Housing Associations And What They Do

4.1 The Outcomes Narrative of Scottish Housing Associations

Housing associations' own internal narratives appear to be strongly orientated towards social outcomes. This is hardly surprising given that their core (but not sole) raison d'être is the non-profit provision of quality affordable homes that improve social outcomes. This is reflected in how housing associations describe on their websites their purpose, vision, mission, values and strategic objectives.

For example, Link Group list one of its values as striving to '*ensure there is a positive social impact*' from their activities[6], while Scottish Borders Housing Association sets out its vision as follows:

> '*We are committed to excellence in housing services, community engagement and sustainable homes. Through effective partnerships and investment, we strengthen their social impact and create safe and vibrant communities where people can thrive.*'[7]

The social emphasis is also reflected in recent reports from England and Wales, which suggest that helping residents and improving lives are the central values promoted and embraced within the sector (CIH, 2024; IFF Research, 2022). Further evidence of this was provided during the qualitative interviews. For example, one participant noted:

> '*The driver for housing associations is more the social and what we can do to help…and you don't… think, actually what's the economic impact of that...*'

This social emphasis is reinforced, at least in part, by the regulatory framework[8] with which RSLs must comply, which is orientated towards tenant outcomes, service quality, and asset management, risk, governance and financial stewardship to secure these social outcomes. While some valuable economic data is collected via the AFS[9], the first indicator in the Scottish Social Housing Charter[10],

[6] https://linkhousing.org.uk/
[7] https://www.sbha.org.uk/about-us/
[8] https://www.housingregulator.gov.scot/for-landlords/regulatory-framework/#section-1
[9] https://www.housingregulator.gov.scot/landlord-performance/statistical-information/
[10] https://www.gov.scot/publications/scottish-social-housing-charter-november-2022/

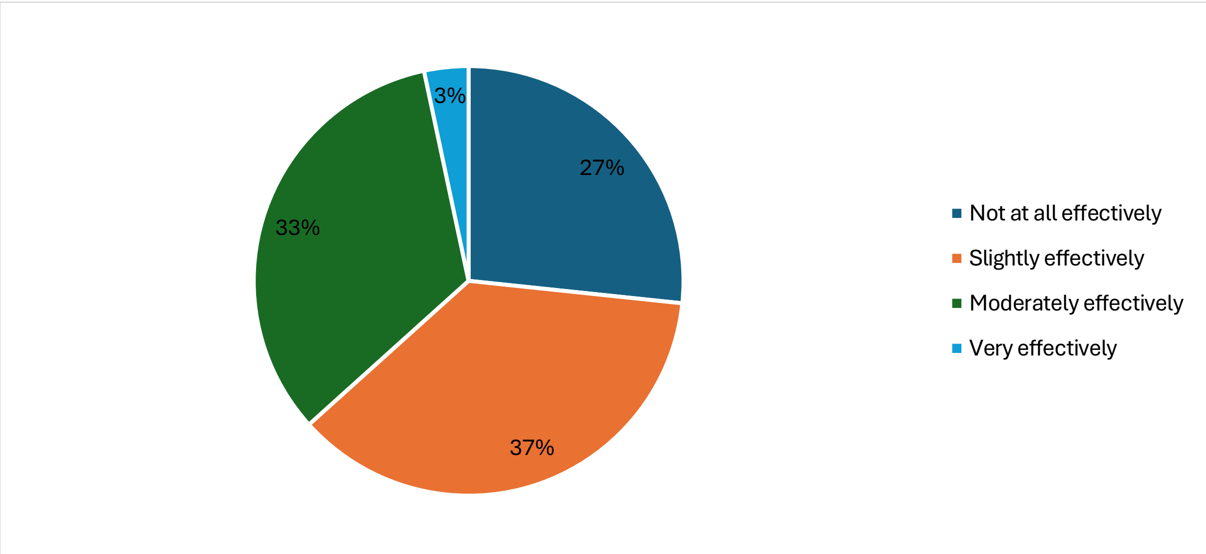
which sets out '*the standards and outcomes tenants can expect from social landlords*'[11], measures the '*percentage of tenants satisfied with the overall service provided [by the] landlord*'[12].

Overall, these factors help explain why the internal narrative of housing associations tends to be framed in social rather than economic terms. The sector has, in effect, siloed itself into social outcomes and policies.

4.2 The Narrative Gap.

To begin to understand the extent of the existing narrative gap, the David Hume Institute surveyed SFHA members. The full methodology of the survey can be found in Appendix 1. The survey asked respondents how effectively housing associations articulated their economic contribution. Over one in four (27%) reported that it was not at all articulated effectively and more than one in three (37%) reported that it was articulated only slightly effectively (Figure 4.1). Given the relative deficit in the economic narrative for the Scottish sector, it is perhaps surprising that a third (33%) believed that housing associations articulated their contribution moderately effectively.

Figure 4.1: How effectively do housing associations currently articulate their economic contribution?



(n=30)

Regardless, most interviewees reported that the sector did not effectively articulate their economic contribution. For example:

> '*I suppose housing associations traditionally, maybe don't necessarily look at that so much in terms of what is the economic impact… We've not necessarily got a clear economic narrative around what we do.*'

The interviews revealed several possible reasons for this shortfall. In the first instance, there was a feeling that there was a lack of introspection regarding the wider contribution being made by housing associations:

[11] https://www.housingregulator.gov.scot/landlord-performance/national-reports/national-reports-on-the-scottish-social-housing-charter/about-the-scottish-social-housing-charter/

[12] https://www.housingregulator.gov.scot/media/aobgtmue/charter-indicators-and-data-by-outcomes-and-standards-20250829.xlsx

'Housing's not very good for realising what they're doing is making a huge difference. They just do things and get on with it.'

But also, the framing when contributions are realised:

'I don't think we look at it from an economic point of view. I think we very much look at it from a social point of view that we've helped [a] family.'

Several reported that they simply did not have the '*time and space*' required to record and report on the economic impact. This was due in part to the growing service pressures on associations arising from '*massively under-resourced*' local authorities and '*funding cuts to small charities and local community groups*', amongst other drivers, and partly due to resource pressures from existing regulatory reporting requirements. Finally, as suggested by the complexity associated with some of the reports discussed earlier, there was also a sense that economic valuation was in itself a difficult task:

'Trying to value this soft support that we offer that changes people's lives in ways that we are not privy to… that's very hard to put an economic tag on…'

However, some lamented that they had not done more to measure the economic impact of their work:

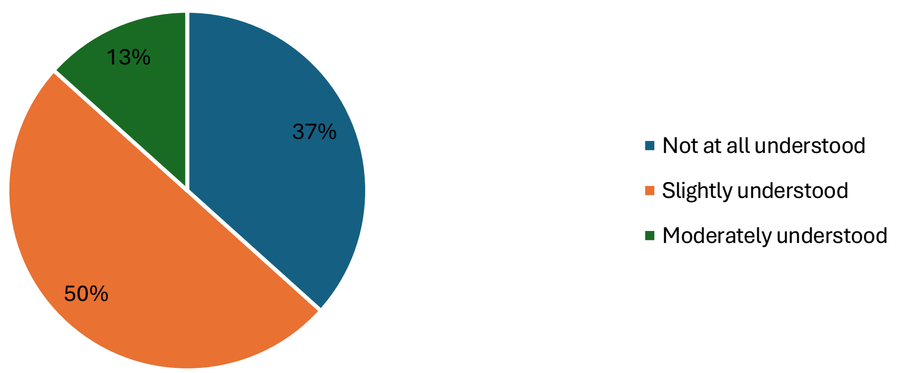
'I think probably [we're] failing on our part as well, that we haven't done this work to measure… impact.'

To further probe the extent of the gap, the survey asked to what extent respondents believed that the economic contribution of the sector was understood by policymakers and stakeholders. Concerningly over one third (37%) believed that the contribution was not understood at all, 50% believed it was slightly understood, and just 13% believe it was moderately understood (Figure 4.2). Importantly, none of the respondents believed that it was well understood or very well understood.

As one interview participant noted:

'I don't think the Housing Association sector is telling its contemporary story very well. And it's certainly not embedded in the heads of Scottish Government decision takers.'

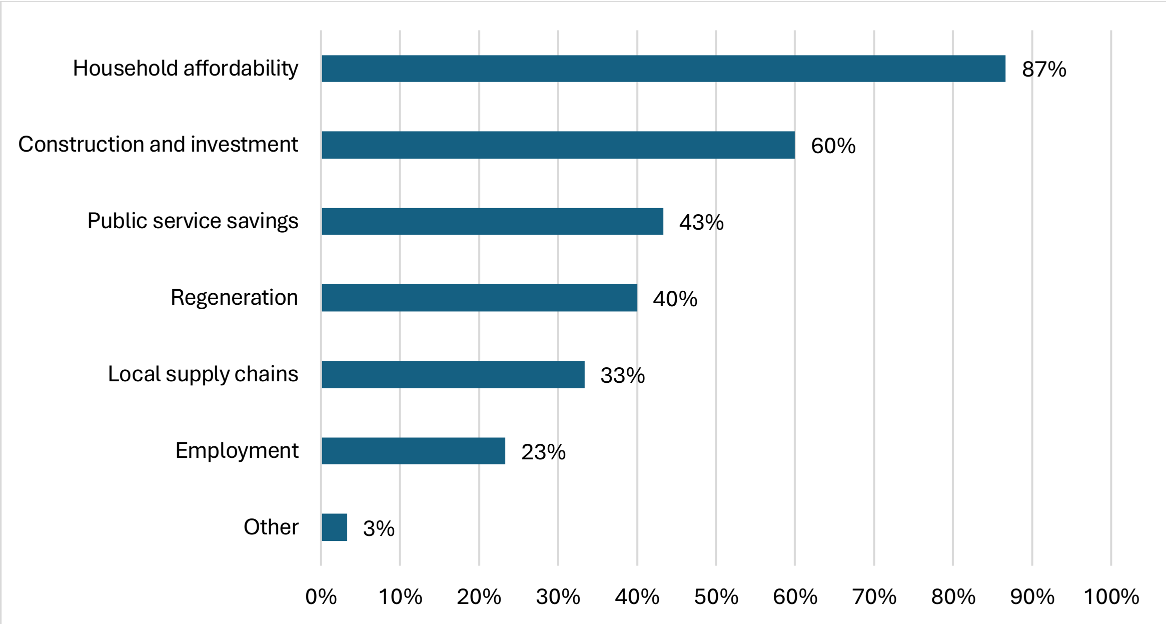
Figure 4.2: To what extent is the sectors economic contribution understood by policymakers and stakeholders?



(n=30)

To explore the shortfall at a more granular level, the survey first asked respondents to choose from a list of areas of economic contribution, which 3 they considered to be most important. As can be seen in Figure 4.3, housing affordability, and public sector savings were most selected.

Figure 4.3: Which 3 areas of economic contribution do you consider most important? (% of cases



(n=30)

The survey then asked respondents which aspects of the economic contribution of housing associations they believed were currently under-recognised or poorly measured? A plethora of categories with shortfalls were identified, spanning most of the narrative domains identified in this report. For example, one noted that:

> *'Investing in property improvements and in staffing costs are both under-recognised.'*

Another suggested:

> *'The positive effect on wider supply chains and employment market is not always recognised or understood.'*

And another proposed:

> *'The part we play in reducing pressures on other services, particularly education, health and social services.'*

Some respondents offered examples rooted to their service offering or location. For example:

> *'Costs of dealing with tenants with complex needs. Without HAs in Easterhouse, the whole area would have been demolished. Cost savings in the 10s of millions.'*

And

> *'In our older people services, we aim to keep people active and engaged in their communities. This can also keep them economically active as they purchase goods and services in their communities as well and continue to travel, volunteer or work part-time.'*

Others offered specific examples of under-recognised areas. For example, reflecting concerns expressed earlier, several respondents suggested that the growing role and workload stemming from the retrenchment of local authorities and other service providers, was an under recognised area. For example:

> *''[The] social value derived from our economic contribution providing services which cannot be provided by local authority due to lack of or high demand on their existing resources.'*

And:

> '*[The] expanding role of the Housing Officer – due to decreased resourcing in social work and other support services.*'

One respondent explained this shortfall in more detail:

> '*The impact of decent affordable housing on community cohesion cannot be overestimated but also the fact that RSLs are increasingly looked to by their communities to act as anchor organisations expected to fill reductions in services as local authorities retreat from providing them. We have experienced this for many years, and no doubt others have as well as we often operate in areas of the country that have experienced chronic underinvestment. Our diversified portfolio… has been undertaken to allow us to create the resources and facilities to boost our local community and help address its needs be that job creation, community funding etc. No doubt many in the sector have taken this approach and this needs to be quantified/qualified somehow.*'

However, highlighting the potential scale of the challenge, one respondent simply stated, '*everything except new build*', another listed almost every conceivable economic measure, and another still reported:

> '*Housing associations' wider economic role is often under-recognised beyond their core social housing purpose. This includes their role as place-based anchor organisations, providing stable employment and wage spend, supporting local small and medium-sized enterprises through procurement, sustaining construction and trade activity through repairs, maintenance, retrofit and development, and contributing to regeneration and town-centre renewal. The role of affordable housing in supporting household financial stability, workforce recruitment and retention, homelessness prevention, community resilience and economic activity during downturns is also often not fully recognised.*
>
> *The topic areas most poorly measured are the quantified economic value of these contributions. This includes the local multiplier effect of wage spend and procurement, the value retained in local supply chains, the wider economic impact of repairs, capital investment and retrofit programmes and the long-term benefits of regeneration and place-based projects. Public service savings are also poorly measured, particularly reductions in homelessness and temporary accommodation pressures, poor housing outcomes, fuel poverty, health impacts and wider public sector costs. There is also limited consistent measurement of how affordable housing supports household financial resilience, education, skills, labour market participation and local economic stability over time.'*

The comments above highlight two key concerns for Scottish policymakers. Firstly, replacing the service reductions and filling gaps left by squeezed public spending by local authorities is transferring the costs of local service provision from local taxpayers to association rent payers and this is a hidden and regressive transfer of obligations. Second, the two paragraphs above highlight the bizarre ways in which the association sector have been sidelined in shaping inclusive growth and community wealth policy strategies for Scotland.

Two further responses were particularly noteworthy. Firstly, one which pointed to the shortfall being long-lived:

> '*As has been the case for many years the direct contribution in terms of providing safe, affordable homes and indirectly the effects on educational attainment, public health, community cohesion etc are all poorly measured in terms of the role of housing.*'

And finally, one respondent suggested that the principal issue was not necessarily a lack of recognition, but rather a lack of consistent measurement and application of these wider economic contributions in policy and funding decisions:

> '*Many of the wider economic benefits of housing associations are already recognised within housing, health and academic policy circles, i.e. health and social care savings, homelessness prevention, workforce participation, place-based regeneration and local economic productivity. However, there remains a gap between recognising these impacts and consistently measuring, valuing and reflecting them in policy, funding and investment decisions.*'

That comment reinforces the conclusions regarding academic and lobby research highlighted in the preceding chapter.

In summary, many associations do not believe that the sector articulates their economic contribution effectively or that their contribution is well understood by policymakers and practitioners.

Gaps in both extend to key economic domains. The lack of government interest in the economic effects of association outcomes discourages associations from reporting or highlighting them in any consistent fashion. There is a worrying disjuncture between the working assumptions and understandings of staff in housing associations about what they do and what policy officials assume about associations.

4.3 Extant Practice and Gaps.

As noted earlier, housing associations gather information and undertake reporting to meet a range of statutory and regulatory requirements. The principal outputs include, a statutory annual report and financial statement, a mandatory annual return on the charter (ARC) for the regulator, and an annual assurance statement, also for the regulator. Housing associations also publish an array of strategies policies and supplementary reports to meet corporate, communication, engagement, operational, financial, funding and other organisational needs. For example, most publish a corporate strategy or business plan[13], an annual report, and/or an annual performance report[14]. Some publish value for money reports strategies[15] and it is increasingly common for ESG reports[16], prepared in accordance with the Sustainability Reporting Standard (SRS) for Social Housing, to be published. The range, depth and formats of the publications differ, often by organisational type and scale. In some cases, these reports might replicate regulatory data or be dual purpose.

As these reports generate a substantial body of data and evidence, a sample were reviewed as part of the Secondary Data Analysis and Documentary Review. While associations produce core data that lends itself to economic analysis, data and analysis gaps remain. While there are some references to economic impact, the bulk of the outputs emphasise regulatory compliance, financial stewardship, service quality and social outcomes, and do not tend to measure or communicate housing associations' wider economic contribution. Notably, evidence pertaining to wider social and sustainability outcomes has become more embedded in reporting, partly due to the SRS providing a common framework for ESG reporting across the sector. It could be argued that the justification for the introduction of the SRS has relevance for creating an economic narrative for the sector:

> '*It was set up in response to concerns that ESG investment in social housing was being inhibited by the absence of a common reporting standard. The belief is that the more widely the standard is adopted the stronger the sector's voice will be, thereby attracting greater investment.*'[17]

Precisely the same case exists for reporting the economic contributions of associations. Surely government wishes associations to articulate how they impact major Economic missions and see best how to support such progress. CEBR and the National Housing Federation have created a Local Economic Impact Calculator (LEIC) that can help housing associations to estimate not only the economic impact of their '*investment in new affordable housing*', but also of their '*day-to-day activities in managing their existing stocks of housing'* (CEBR, 2026, p. 4). Use of the approach and modelling stops at the Scottish border. It needs to be developed in Scotland, perhaps by the Regulator, and the range of outputs extended beyond GVA, gross employee earnings and jobs. However, it is initiatives like this, that could lay the foundation for the integration of an economic narrative into current practice.

Regardless, to better understand the use of economic data within housing associations, the survey asked respondents to what extent their organisation considered its wider economic contribution in strategic decision-making (e.g. impacts on local economies, supply chains, and labour markets). Almost two thirds (63%) reported that they did so to a moderate or significant extent, almost one third (30%) said they did so to a small extent and just 7% said they did not at all (Figure 4.4).

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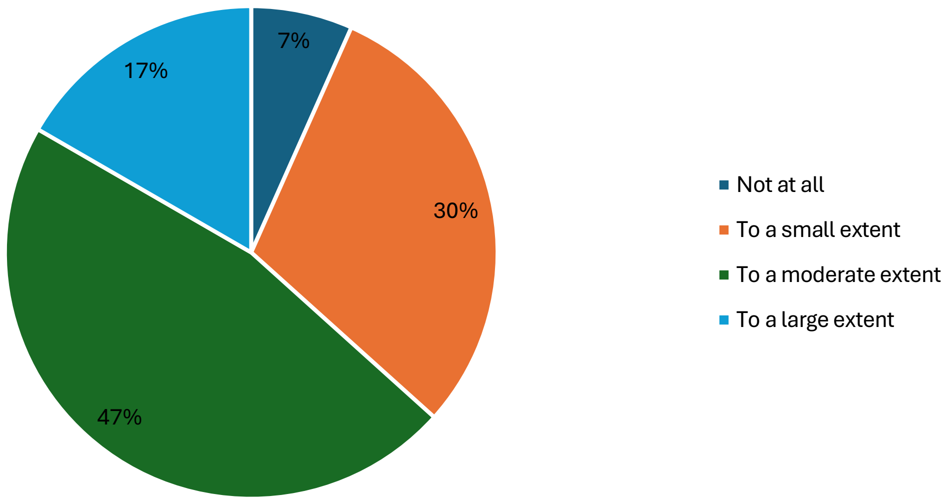
[13] For example: https://www.shettleston.co.uk/wp-content/uploads/2024/09/Business-Plan-2024-2027-merged.pdf
[14] For example: https://ardenglen.co.uk/upload/download_document/1c985025-a908-11f0-8313-005056a3/file.pdf
[15] For example: https://westscot.co.uk/upload/download_document/b4080534-e993-11ed-b9f9-005056a3/file.pdf
[16] For example:https://media.umbraco.io/home-group-heartcore/fkkov5t2/esg-home-group-scotland-report-20242025.pdf
[17] https://sustainabilityforhousing.org.uk/what-is-the-sustainability-reporting-standard/

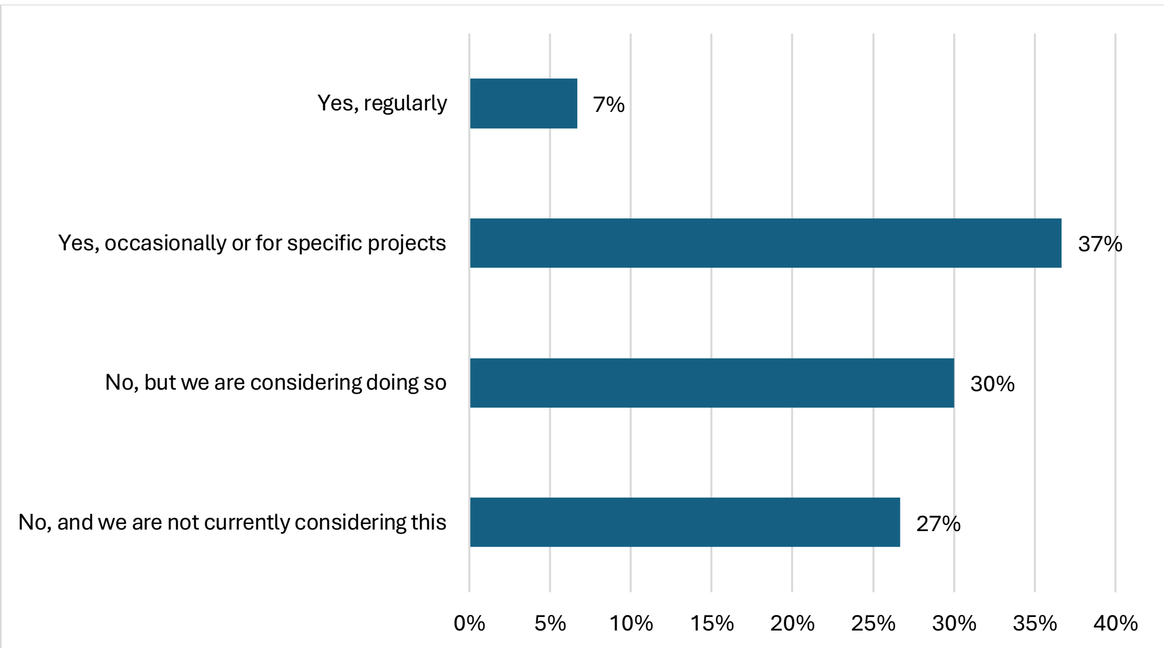
Figure 4.4: To what extent do associations consider their wider economic contribution in strategic decision-making?



(n=30)

Then, to better understand current economic evaluation practices, the survey asked respondents if their organisations currently measured or estimated its economic contribution (e.g. employment impacts, supply chain spending, regeneration impacts or local economic effects)? In total, over half (57%) did not. Of these, around half were considering doing so, while the remaining half were not (Figure 4.5).

Figure 4.5: Does your organisation currently measure or estimate its economic contribution?



(n=30)

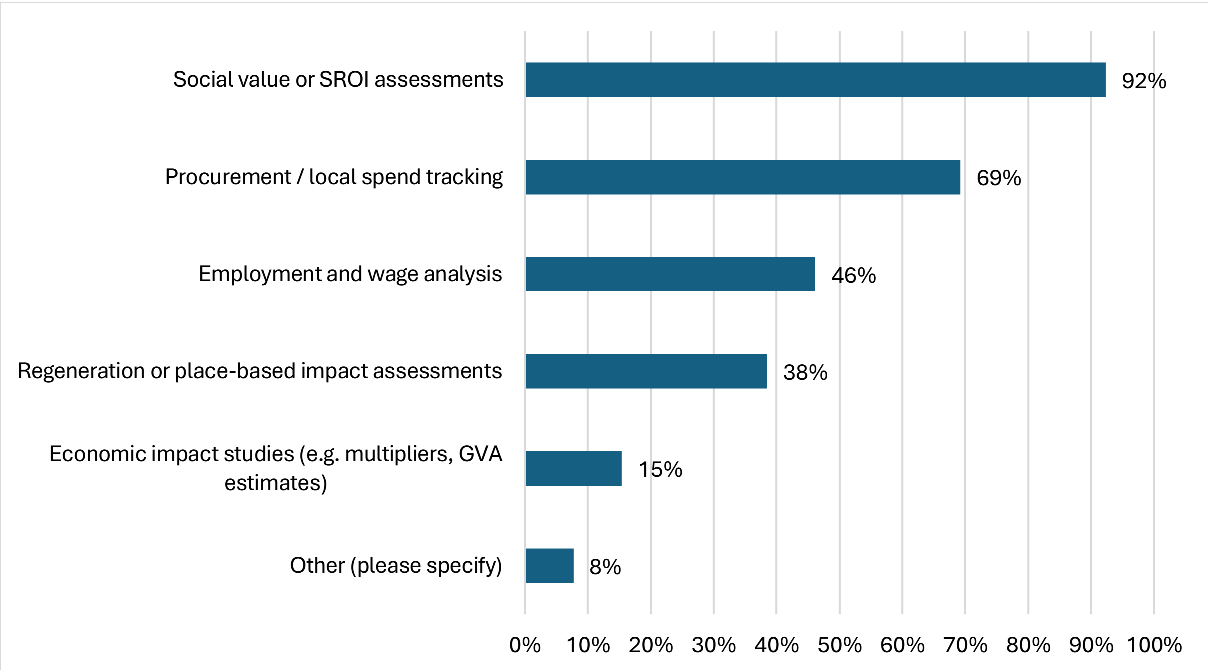
It is particularly interesting that among those who did measure or estimate their economic contribution, the vast bulk did so occasionally or for specific projects. This theme also emerged during the interviews with one participant stating:

> ‘*We tell little stories about things that we do, but not necessarily the entire economic impact.*’

Several provided examples where they had undertaken analysis as part of a business case, funding justification or application.

Those who selected yes, were also asked what approaches their organisation used to assess its economic contribution? Perhaps unsurprisingly, most responses (92% of cases) pointed to social value or SROI assessments (Figure 4.6). At the other end of the scale, respondents selected that they undertook economic impact studies in just 15% of cases. The documentary review uncovered published examples of the former, including a report by Bield, Hanover and Trust Housing Associations, which measured the ‘*well-being benefits*’ of sheltered housing[18]. There are also examples of the latter including an economic impact study of the Eildon Group by Optimal Economics in 2016[19], and an examination of the economic contribution of Glasgow Housing Association in 2019 by the Fraser of Allander Institute. However, reports of this nature remain few and far between.

Figure 4.6: Which approaches do associations use to assess their economic contribution?



(n=13)

These respondents were also given the opportunity to describe in their own words how their organisation measured or estimated its wider economic contribution. The examples provided highlight differing approaches in terms of scale, scope and complexity. Linking back to the observation above that several associations measure or estimate their economic contribution sporadically, or only ‘*occasionally or for specific projects*’, one respondent noted:

[18] https://www.hanover.scot/wp-content/uploads/2018/10/sroi_vsh.pdf
[19] Provided by Eildon

> '*This is not a key strategic objective for us, so we only measure this on specific projects such as local area regeneration through place making or when assessing impact of grant funded projects.*'

Some focused more broadly and regularly on core measures as part of established regulatory and corporate reporting requirements and practices:

> '*We calculate our economic contribution as part of our annual reporting to our tenants through our 'value for money' assessments. We also measure environmental impacts such as carbon savings from our capital and renewable projects.*'

It is quite clear that there is a dichotomous approach to economic actions and outcomes within associations (with a roughly equal split in perspective). It may be that there needs to be more formal recognition in regulation and funding systems of associations that seek to be active agents for local economic change and those that want to focus solely on the core social housing task.

More generally, associations did not report the adoption of a single regularised framework for measuring or estimating their economic contribution:

> *'[We] measure… economic impact through a combination of financial, ESG and Social Return on Investment (SROI) approaches, rather than relying on a single metric.'*

And by way of a further example:

> '*We do not currently undertake a formal, routine economic impact assessment using multipliers or gross value-added modelling, but we do measure and estimate aspects of its economic contribution for specific purposes… These measures are used in strategic planning, Board reporting, development appraisal, procurement, asset investment planning and partnership discussions, but are not yet brought together into a single recurring economic impact framework.*'

The entire sample was subsequently asked to provide an example of a project or investment that clearly demonstrated the economic contribution of their organisation. This allowed the research team to make broad inferences regarding how associations conceptualise their economic contribution, even in cases where they stated they did not actively measure it. The responses covered many of the domains established in the narrative framework. The first example below maps against household stability and financial security:

> '*We spend money supporting tenants directly replacing broken white goods, paying off fuel debt and paying standing charges one year in advance, putting £50 on every new tenant's utility meter, assist with carpeting homes, buying furniture, and providing cash for tenants in emergency need if they are waiting on a benefit being paid or a benefit decision outcome; we also provide supermarket gift cards for shopping as an alternative to referring tenants to Foodbanks. Overall- the umbrella term for this would be an added value service re Welfare Improvement and Tenancy Sustainment.*'

This next example spans capital investment, supply chain effects, place-based economic development and human capital and skills:

> '*We are in the first phase of 4 that will deliver 83 units on this site. This is being built by a [local] based developer, employing [local] based staff including local apprenticeships. The subcontractors are local SMEs. This development will be onsite for 5 years so continued employment during this time. The scheme will be allocated to tenants on our waiting list, the majority of which are local residents. The development is next to the local school which we work closely with and we are engaging with them to deliver housing education and the NPA Level 4 in Tenancy. The new housing will support local shops and 3rd sector agencies working in a regeneration which is also an area of deprivation (within the top 10%.).*'

And a final example includes Public Sector Cost Avoidance, Household Stability and Financial Security, Capital Investment, and Economic Resilience (Counter-Cyclical Investment).

> '*We launched our Roadmap for Independent Living in November 2025, setting out a clear, evidence-based case for a shift from reactive, crisis-led services to a preventative, investment-focused approach.*
>
> *The roadmap demonstrated that early investment in housing, support and technology reduced future demand on health and social care systems, positioning independent living as both a social priority and a cost-avoidance strategy. It highlighted the critical role of housing as a driver of health outcomes, showing that poor housing conditions directly contributed to increased NHS demand, higher social care costs and reduced healthy life expectancy.*
>
> *We reinforced that investment in housing should be viewed as investment in public health and system sustainability. We emphasised the importance of long-term funding, identifying the mismatch between short-term political and budget cycles and the long-term (20+ year) nature of independent living investment.*
>
> *The roadmap made clear that achieving best value required stable, sustained funding rather than short-term interventions. The roadmap also demonstrated that enabling people to live safely and independently at home reduced system-wide pressures by delaying or preventing hospitalisation and institutional care and reducing crisis interventions across services.*
>
> *We highlighted the importance of collaboration across housing, health and care sectors, showing that integrated approaches improved outcomes, reduced inefficiencies and made better use of resources. This positioned partnership working as a key enabler of both improved outcomes and economic value.*
>
> *The role of technology was identified as a critical enabler, with telecare and digital solutions supporting independence, improving safety and reducing the need for intensive interventions.*
>
> *Finally, the roadmap emphasised the long-term economic and social value of independent living, demonstrating that investment in adaptable homes, community infrastructure and preventative spending.*'

These examples demonstrate that associations are undertaking activities with the potential to generate significant economic and fiscal impacts. However, taken together, the evidence in this section reveals major differences in how associations perceive their roles, not all devote much attention to wider and economic impacts, and it highlights gaps in practice in terms of the collection, analysis, use, and publication of economic data. Where economic analysis is undertaken, it is sporadic and tends to be focused on specific projects or business cases. The findings suggest that the overall effort is directed at social regulatory accountability as opposed to economic narratives. It is also clear that the social narratives developed has grown and become more standardised over time.

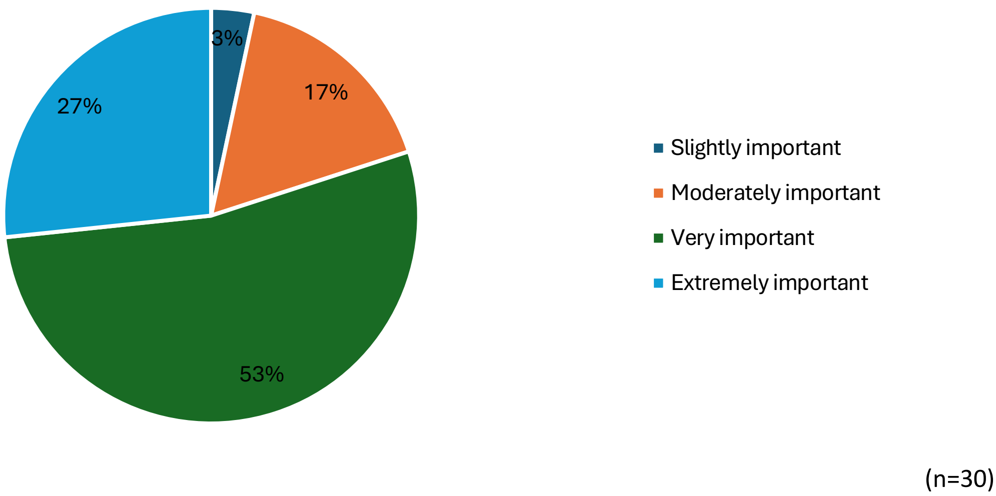
4.4 The Need for a New Narrative

4.4.1 Association's Views on the Importance of a New Economic Narrative.

In the introductory chapters of the report there was emphasis on the need for a new economic narrative about the Scottish housing system and for the housing association sector, that reflected research findings and was aimed at improving policymaking. The section above suggests a not insignificant number of associations don't see such a narrative as important for their own organisation. But do they see it as important for the overall sector.

The survey asked respondents how important they believed it was for the housing association sector to clearly articulate its economic contribution? Fully 80% believed it was very or extremely important suggesting a degree of consensus (Figure 4.7).

Figure 4.7 How important is it for housing associations to clearly articulate their economic contribution?



To gauge respondent understanding of the economic importance of the work of associations, the survey posed a counterfactual question: what would be the main economic consequences of a significant reduction in the scale of housing associations activity in Scotland? The answers were stark. Some pointed to specific areas of the economy that would be impacted. For example, a reduction in:

> '*The plugging of growing gaps in public services would be a key impact of a reduction in the activity of RSLs. The smaller but still impactful projects that help catch people falling through the societal gaps would be the ones to go.*'

Others focused on the local impact of the loss of an '*anchor institution*' with one respondent noting that there would be:

> '*Massive impacts on the community and local economy as the key anchor organisation in the area, massive impacts on the public services we currently step in and pick up, worse neighbourhoods, housing stock going into disrepairs/unlettable, impact on loss of jobs, loss of advice services and wider funding of local organisations we support, lose the sense of community.*'

And several presented what amounted to mini-economic narratives, such as this:

> '*…A reduction in housing association scale and activity would lower investment in new homes, repairs, maintenance, retrofit and regeneration. This would reduce construction output and weaken demand for professional services, trades, materials and local suppliers, with direct impacts on economic activity and growth[…].*
>
> *Reduced investment would impact direct employment, apprenticeships and skills development, alongside contractors, consultants and local firms. This would weaken supply chains and reduce opportunities for small and medium-sized enterprises, with knock-on effects for local labour markets and economic participation[…]*
>
> *Less affordable housing and reduced support provision would increase pressure on homelessness services, temporary accommodation, health, social care and welfare-related support. This would shift and amplify costs across public budgets, as early intervention is reduced and individuals present later with more acute and complex needs, requiring more intensive and costly interventions[…]. Fewer affordable homes would expose more households to higher housing costs, insecurity, fuel poverty and reduced housing quality.*
>
> *This would reduce disposable income, increase poverty and constrain spending within local economies. Poorer housing conditions would also contribute to deteriorating health and wellbeing, increasing demand for public services, often at a more acute and costly stage… Housing associations act as anchor institutions in many communities. A reduction in their scale and activity would reduce local procurement, regeneration and place-based investment, particularly in rural, island and small-town areas. This would weaken economic resilience[…].*'

What really stands out from these responses is that respondents were able to articulate a more detailed assessment and narrative for the hypothetical economic impact of a significant reduction in the scale or activity of the sector, than practice would allow for their own organisations, at least at an empirical level. It may be that the way housing policy articulates, funds and regulates the sector dampens and constrains the ways in which associations report and researchers address these critical anchor roles in providing 'collaborative, system' management in our poorer places.

4.4.2 The Catalyst for a Narrative

It is fortunate that associations recognise the need for a strong economic sector narrative and that half already address the issues seriously. Housing associations are recipients of substantial public investment at a time when public sector spending is increasingly constrained, the housing polycrisis is unresolved, and government is seeking how to grow national income and wellbeing. A failure to effectively articulate a narrative that demonstrates their economic and 'systems' importance could have potentially significant consequences dampening resources for the sector in a fierce future competition for public sector support. Associations need to remember the negative 2024 Scottish Budget processes and outcomes. Highly salient narratives appear to make budget reductions politically difficult, even during times of fiscal restraint. And these narratives need to include likely wider economic consequences of underinvesting in housing. Government statements and behaviours through that difficult process makes clear the Scottish Governments (then) reductionist approach to what housing is and does by focusing on matching of available funds to the number of houses it can affords. That approach not only fails to recognise that poor housing outcomes impinge on the very front-line services the budget sought to protect but also overlooked the positive economic and fiscal outcomes that housing investment creates.

It also rather at odds with Treasury Green Book principles relating to evidence-based decision making, value for money, and consideration of wider societal impacts, amongst others (Treasury, 2026). The irony here is that there is some cross over between the tangible outputs that housing associations deliver and the outcomes espoused by the Green Book. However, there is a mismatch in the focus of narrative and reporting frameworks and vocabularies, meaning that the sector is relatively poorly positioned to articulate its contribution in a manner that can influence government decision-making.

Until governments in Scotland develop an informed, modern approach to public budgeting and service delivery, working across the silos to improve local provision and place systems, associations have to step-up their evidence efforts.

Arguably, the 'free riders' within the sector who embrace the 'wider impacts' sector argument but do not practice it have to reflect on why.

Overall, the housing association sector sees the need for a strong economic narrative, and have been working at national and macro, scales to articulate and estimate their pivotal role in the economy. It is also the case, because macro estimates will invariably assume away the critical local system and anchor effects that associations often play, that a more comprehensive, consistent audit and evidence base of these roles is required to support the narrative for informed public policymaking. It must be made from the bottom-up. However, gaps in practice and monitoring currently prevent the emergence of a coherent economic narrative at association and sector levels.

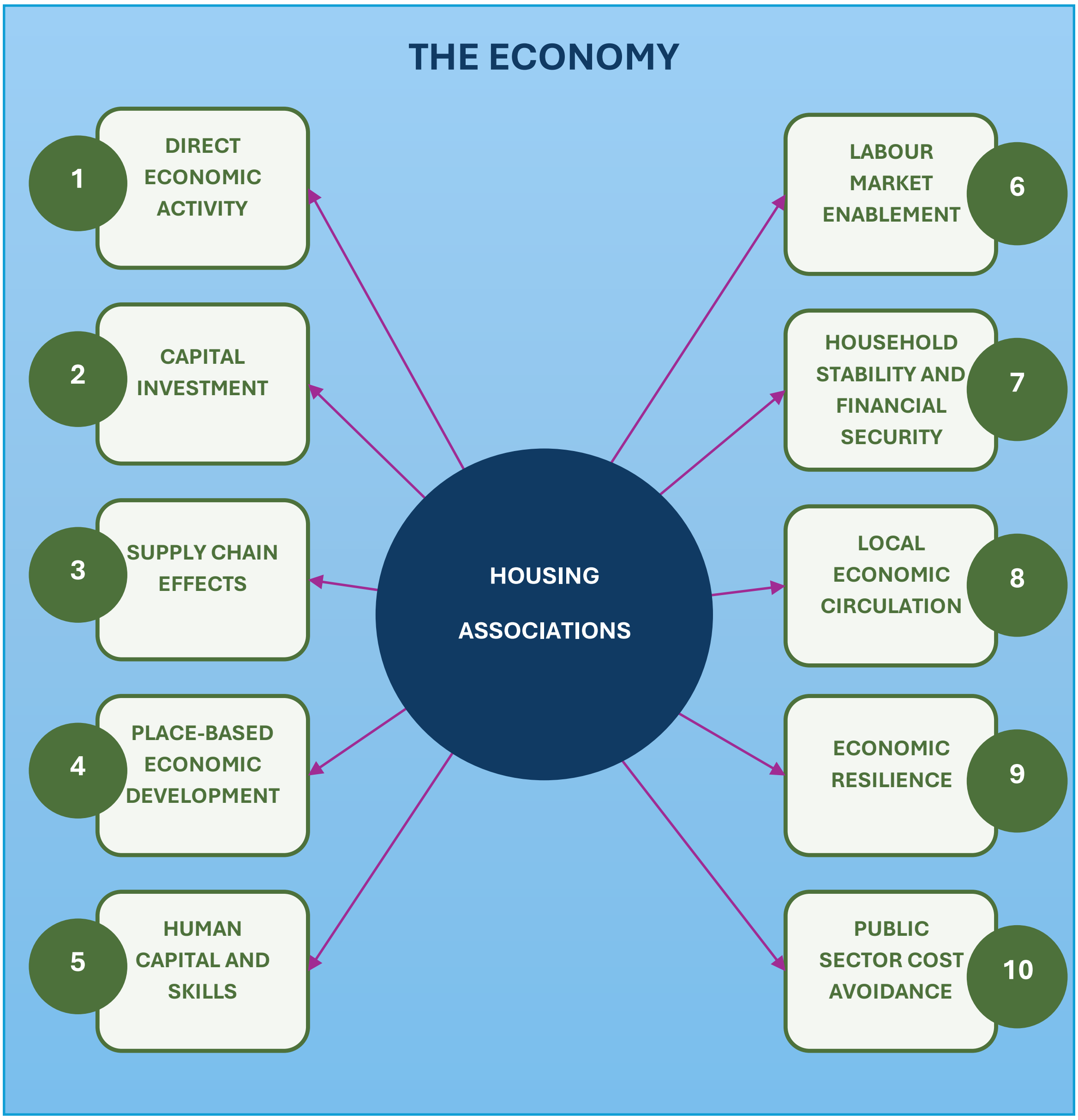
5 Building the Narrative from Below

Recognising that narrative must be built from below, there is a need to understand what housing associations actually do in an economic context. The preceding chapters provide a broader conceptual basis against which to anchor the creation of a narrative framework to guide this aspect of the research.

In total, we deduce ten distinct narrative domains through which housing associations make, or have the potential to make, a significant economic contribution. The domains are not discrete with some inevitable overlap. However, they provide a coherent organising framework for examining the multiple ways in which the activities of housing associations reach into the wider economy.

Against each of these domains, this chapter uses primary data from the interviews and survey, as well as secondary data from the documentary review and other available sources, to begin to construct an economic narrative for housing associations.

Figure 5.1: Housing Association Narrative Framework, Source: Created by the Authors



5.1 Direct Economic Activity

Housing associations contribute to direct economic activity through the employment of staff, the purchase of goods and services, the management of housing assets and the delivery of services, generating income, expenditure and employment that support wider economic activity.

Using AFS data, we calculate the total economic output (turnover) of associations[20] at £2,267,536,400 (approximately £2.27bn), the total expenditure (operating costs) at £1,802,172,200 (approximately £1.80bn) and the total labour input (staff costs) at £579,023,200 (approximately £579.0 million)[21].

These figures equate to around 0.8% of the total turnover generated by Scotland's non-financial business economy, 1% of their total expenditure, and 1.1% of their staff costs[22]. While the sector is dwarfed by, for example, Scotland's crude petroleum and natural gas extraction industry (£19.82 billion), it is around twice the size of the fishing and aquaculture industry (£1.14 billion) and almost four times larger than the forestry and logging industry (£0.63 billion)[23] suggesting it is an important component of Scotland's economy.

It is possible to contextualise the sector at a more intuitive scale by creating a series of metrics using the total number of units owned or under management. While these figures should not be interpreted as scalable per unit averages, they do offer an interesting benchmark.

- Turnover per unit: £6,961.46
- Operating cost per unit: £5,532.77
- Staff cost per unit: £1,777.63
- Staff cost ratio: 32%

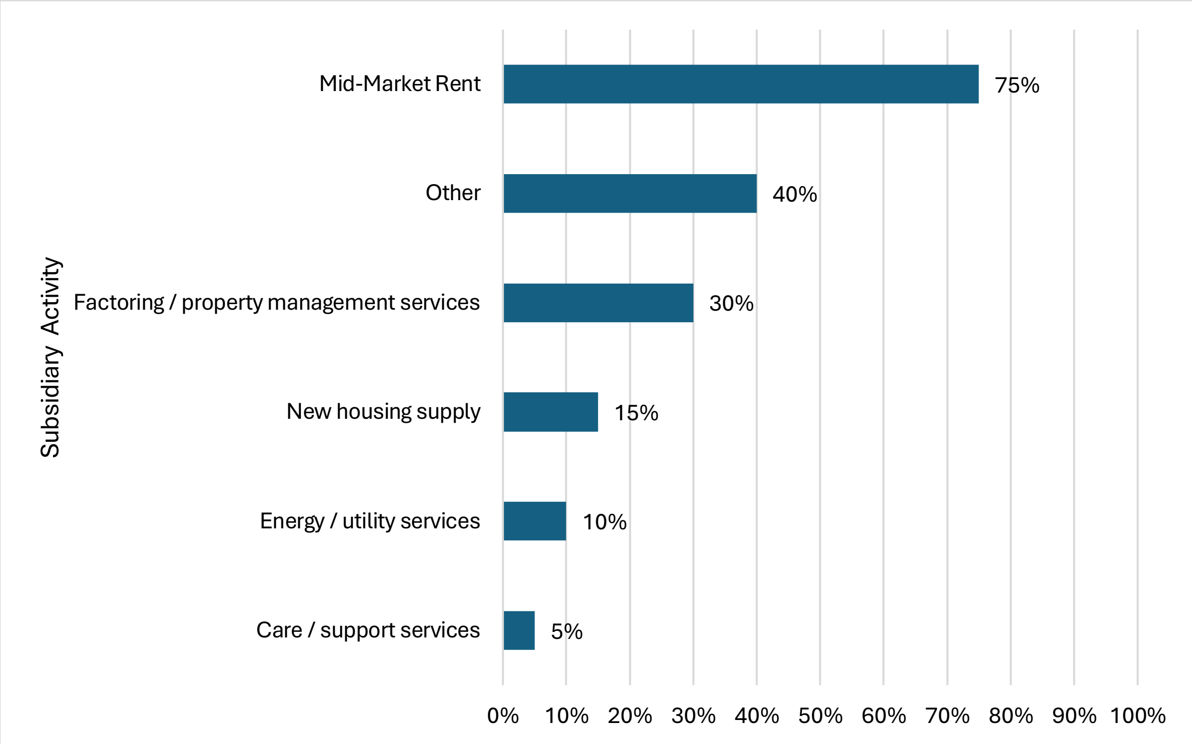
It is important to recognise that the breadth, and catalytic role of housing associations' direct economic activity is significant, with many delivering services that extend beyond the provision of housing in exchange for rent. These include mid-market rent, telecare, maintenance services, commercial property and even energy generation, much of which is delivered through subsidiary organisations. While the Scottish Housing Regulator publishes separate data on subsidiary turnover, the relationship between these data and the published AFS dataset is not explicit. Consequently, rather than attempting to aggregate the two datasets, survey findings are presented to illustrate the scope and scale of economic activity undertaken through subsidiary organisations.

One third (33%) of respondent housing associations had no subsidiary undertakings, just under half (47%) had one or more subsidiaries and one fifth (20%) were part of a group structure with multiple subsidiaries. The most common activity delivered through a subsidiary was mid-market rent (75%), followed by other activities (40%), factoring and property management services (30%), development of new housing supply (15%), energy and utility services (10%), and care and support services (5%) (Figure 5.2). Subsidiary activities in the 'other' category included care and repair

[20] Consisting of the SFHA population
[21] AFS data 2024/2025 (https://www.housingregulator.gov.scot/landlord-performance/statistical-information/)
[22] Compared against Scottish Annual Business Statistics 2023 (https://www.gov.scot/publications/scottish-annual-business-statistics-2023/documents/)
[23] As above.

services, commercial and retail space, community facilities, estate and community services, and even a post office. A specific example of subsidiary activity can be found in the Snapshot in Figure 5.

Figure 5.2: Activities delivered through subsidiaries (percentage of cases)[24]



(n=30)

It is possible to further illustrate the breadth and scale of housing activity by drawing directly from the annual reports and financial statements of organisations who participated in the research. For example, the bulk (78%) of Hanover Scotland's income in 2024/25 (£50.8m) derived from rents and service charges. However, fully 22% was from other sources including 8% from care, 4% from telecare and 3% from factoring (Figure 5.3). Similarly, the bulk of the Wheatley Group's income in 2024/25 (£330.1m) derived from social lettings. However, 22% derived from grant income and around 14% was from other sources[25] Figure 5.4).

While social rents account for the bulk of housing association income, these data highlight that other sources of income make an important contribution too.

[24] For all figures and tables, totals that do not sum to 100% are due to rounding.
[25] https://www.hanover.scot/wp-content/uploads/2025/10/ANNUAL-REPORT-202425.pdf

Figure 5.3: Income statement Hanover Scotland (2024/25)[26]

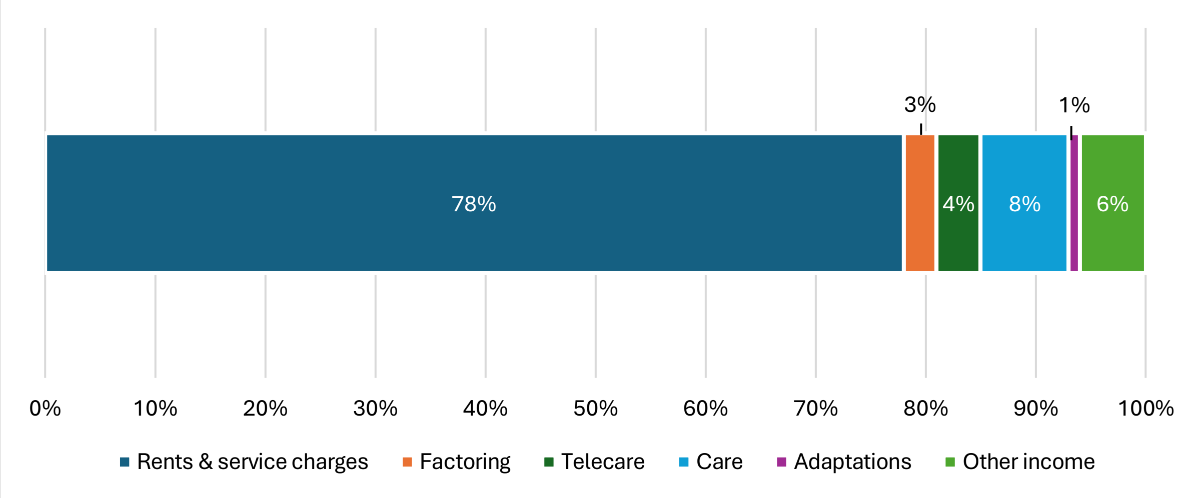
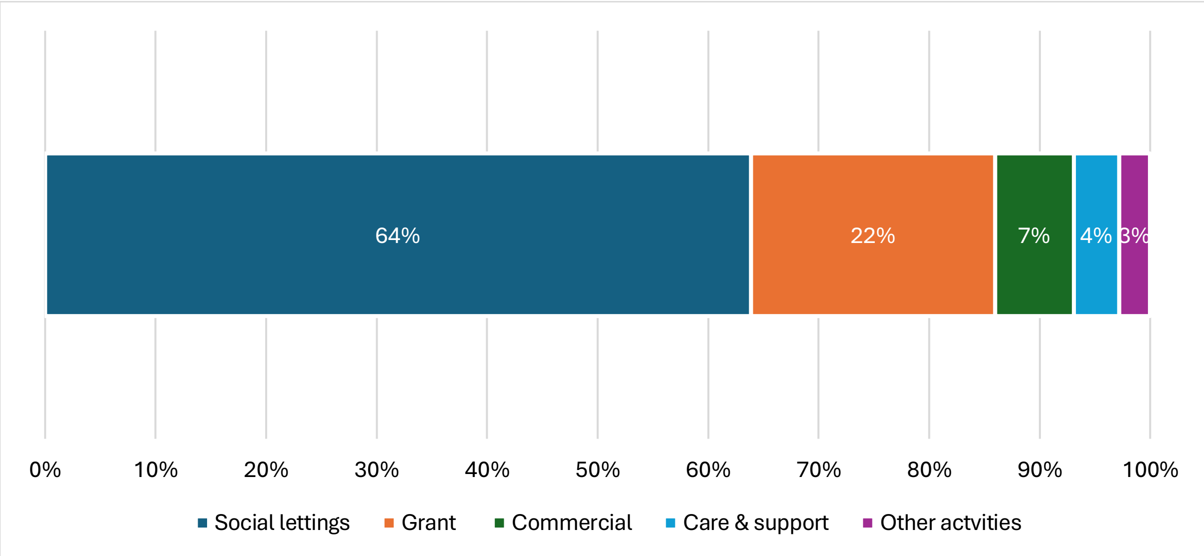


Figure 5.4: Income Statement Wheatley Group (2024/25)[27]



To obtain further insights in the perceived scale of direct economic activity by housing associations, the survey asked respondents to identify the extent to which their organisations contribute to the Scottish Economy across four measures; direct employment; procurement of goods and services; construction and development investment, and maintenance and asset investment. In most cases respondents viewed their contribution as small or moderated in extent, which is broadly in line with the sectors contribution as quantified in the preceding section.

With regards direct employment, most respondents considered that their organisation made a small (47%) or moderate (27%) contribution to the Scottish economy (Figure 5.5). Similar proportions were observed with regards procurement of goods and services while a slightly higher proportion reported that maintenance and asset investment had a moderate impact. When respondents who had not actively engaged in construction and development investment were removed for subsequent analysis, the remaining pool of respondents were slightly more optimistic about their

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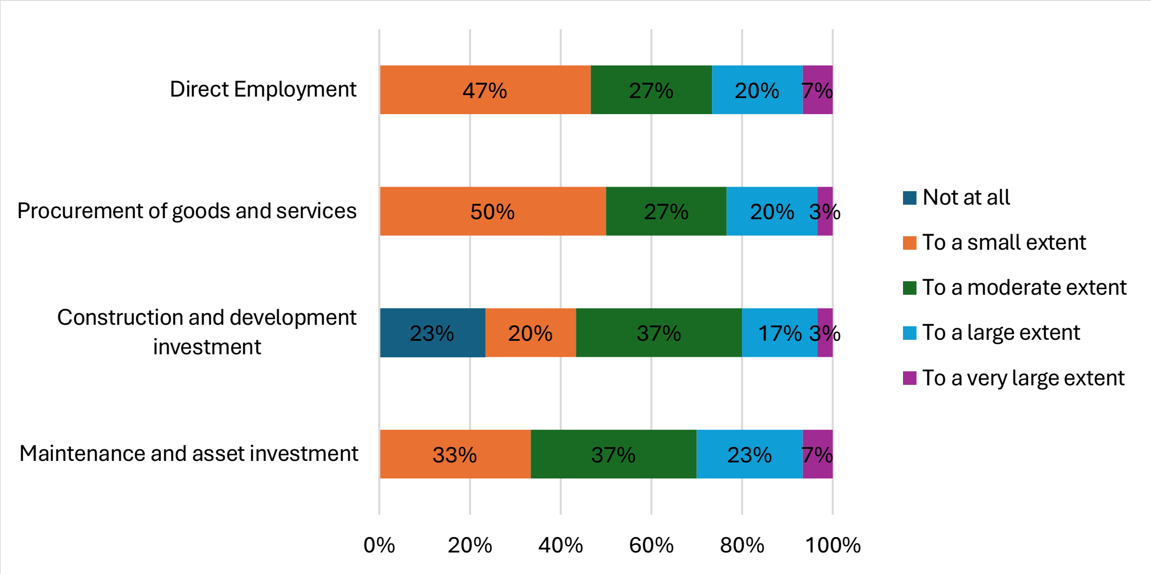
[26] Source https://www.hanover.scot/wp-content/uploads/2025/10/ANNUAL-REPORT-202425.pdf
[27] Source: https://www.wheatley-group.com/__data/assets/pdf_file/0011/250301/Wheatley-Group-Annual-Report-and-Consolidated-Financial-Statements-24-25.pdf

contribution with 26% reporting a small contribution, 48% a moderate contribution and 26% a large or very large contribution.

Figure 5.5: Extent to which respondents consider that their organisation contributes to the Scottish Activities



(n=30)

During interviews, participants consistently recognised that their organisations were significant economic entities. Although many examples of direct economic activity were provided, four key themes emerged.

First, housing associations are major employers. Participants described organisations employing anywhere from around 50 to 2,500 employees, spanning a raft of professions. Several interviewees highlighted the scale of their organisations within their local economies:

> *'We're an organisation of significance… there's only about a dozen businesses that employ more than 250 staff. We're one of them.'*

And the scale of their geographical coverage and their supply chain:

> *'We're national, so we cover 23 local authorities… and we have about 200 contractors around Scotland.'*

Secondly, interviewees consistently described housing associations as major investors in housing assets. This included developing new homes, acquiring existing properties, refurbishing older housing stock, investing in adaptations and accessibility improvements, and maintaining long-term asset management programmes. Several organisations highlighted sustained development programmes spanning many years, while others emphasised the scale of ongoing investment in existing homes.

Thirdly, participants identified housing associations as significant purchasers of goods and services. Interviewees discussed substantial procurement programmes covering construction, repairs, maintenance, compliance and professional services. Several organisations also operated directly employed maintenance teams or wholly owned subsidiaries delivering repairs, maintenance and related services as part of their core business model.

Finally, many interviewees described housing associations as diversified organisations delivering services beyond traditional housing management. Examples included telecare, registered care services, welfare rights, tenancy sustainment, community development, employability programmes and specialist housing provision. While the wider economic and social outcomes associated with these activities are explored in later sections, they nevertheless represent direct organisational activity requiring staff, infrastructure and ongoing expenditure.

Figure 5.6: Direct Economic Activity Snapshot

Direct Economic Activity Via Subsidiaries

HARBOUR MULTI-TRADES

The economic issue
Housing associations rely heavily on external contractors to deliver housing repairs and maintenance. However, rising costs, fragmented supply chains, and the risk of contractor failure, amongst other factors, presents significant organisational risks, particular in relation to service quality, consistency, ownership and value for money. Importantly, profits can leave the social housing sector rather than being retained and reinvested in social housing activities.

Harbours Solution
In response to the to these operational challenges, Harbour acquired its principal contractor, TB Mackay Energy Services, in 2019 and established Harbour Multi-Trades (HMT) as a wholly owned subsidiary. The organisation not only services Harbour Homes but also provides commercial services to other housing associations and private clients.

The economic contribution
This economic contribution is severalfold. Firstly, HMT supports local employment. Secondly, in-house provision retains a greater proportion of Harbour's expenditure within the group. Thirdly, HMT also generates income from services provided to other housing associations and private clients, with profits returned to Harbour and used to support its social housing activities. Finally, centralised provision provides economies of scale and reduces Harbour's exposure to some of the risks associated with reliance on external contractors.

'We are quite keen to think about how the money is flowing through the system. And we thought if we have a commercial subsidiary, all the profits will come into the housing association instead of into the pockets of private individuals... So, we thought it was quite a nice to have them within our group and it's basically subsidising social housing as a subsidiary company.'

Heather Kiteley (CEO) Harbour Homes

Economic Evidence

- 2016, Harbour Homes enters partnership with T.B. Mackay Energy Services (now Harbour Multi-Trades) as service provider for both responsive repairs and gas servicing.
- 2019 Harbour Homes acquires T.B. Mackay Energy Services rebranding the entity as Harbour Multi-Trades
- 50+ engineers
- 75+ staff in total
- Approx. 5.9m in turnover (2024/25)
- Service Harbour Homes plus a range of public and private clients.
- Economies of scale achieved through centralised provision

Sources: Interview, https://harbour.scot/multi-trades/, and https://find-and-update.company-information.service.gov.uk/company/SC202640/filing-history

5.2 Capital Investment

Capital investment is essential to maintaining the quality and increasing the supply of homes, but also for supporting economic growth and improving productivity. Housing associations can contribute through investment in new homes, existing housing stock and associated infrastructure, helping to support economic development.

While Audited Financial Statements (AFS) data does not include a variable equivalent to annual capital investment, it does present some data that provides a sense of the scale of the capital assets owned and managed by SFHA members. For example, the properties owned by the population have a net book value of around £17.05bn.

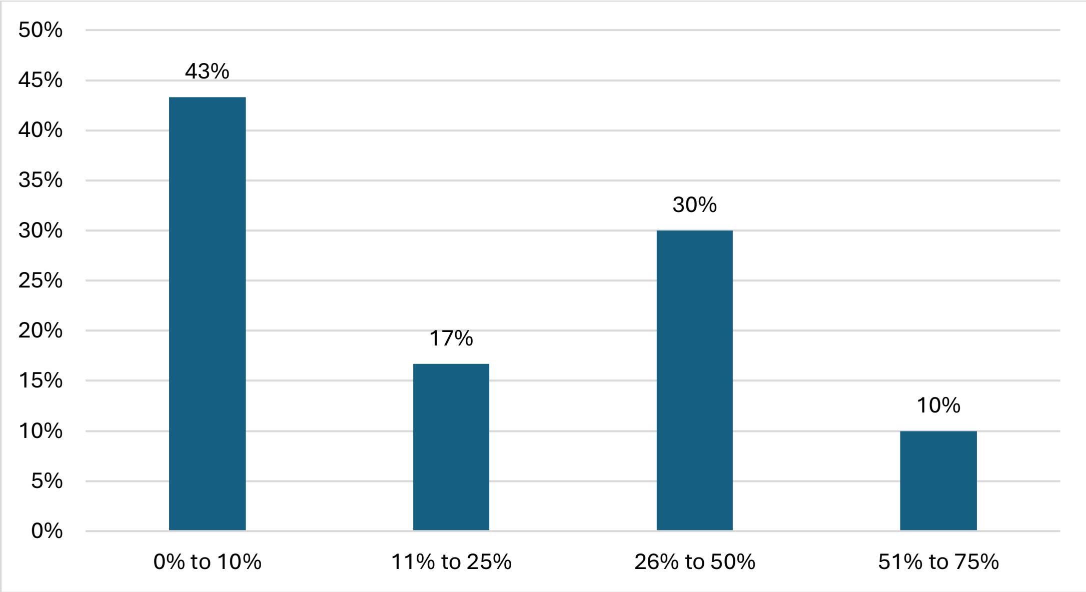
It is possible to get a more granular understanding of individual organisations' capital investment via their annual accounts. For example, Wheatly Homes Glasgow states that it spent £52.6m in its 'new build programme', and £53.1m 'in improving tenant's homes'[28]. A further breakdown of the latter 'capital improvements' is provided as follows:

- £1.5m on bathrooms
- £1.5m on external wall finishes
- £6.0m on heating system boilers
- £1.0m on internal works and common areas
- £4.6m on kitchens
- £6.0m on mechanical, electrical and plumbing
- £1.4m on structure and roofs
- £2.2m on windows and doors
- £13.6m on void improvements,
- £3.6m of medical adaptations
- £11.6m of capitalised repairs.

While the survey sought additional information on capital investment in existing stock, development activity and associated expenditure, response rates for these questions were relatively low and are therefore not presented. However, the survey did provide useful insight into the nature of capital investment, particularly the proportion of investment directed towards energy efficiency and retrofit activity. While the capital spend will vary for a variety of reasons, including differing stock type, organisational strategies and capital plans, it is notable that more than half of associations are allocating upwards of 10% towards this area (Figure 5.7).

[28] https://www.wheatley-group.com/__data/assets/pdf_file/0022/250393/Wheatley-Homes-Glasgow_FY-25-FInal-Accounts_Redacted.pdf

Figure 5.7: Approximate proportion of capital investment in existing stock relating to energy efficiency or retrofit activity



(n=30)

During the interviews participants discussed their organisations capital investment activities around four emergent themes. Firstly, several positioned associations as long-term stewards of housing assets necessitating robust capital investment plans for elements such as maintenance, major repair and refurbishment:

'You now have to plan 10 years ahead... which fitted with the concept of having a reserve fund, sinking funds for your repairs and renewals...'

Secondly, the provision of '*long term… investment plans'* were viewed as not only helping to ensure the integrity of assets but also reported to have spillover effects for suppliers and communities. For example:

> *'I have no doubt in my mind that we are having a huge positive impact on the community in terms of economy and sustaining local businesses.'*

And:

> *'If it's a development contract or a major repairs contract, you always build in an element of community benefit.'*

Thirdly, participants often framed capital investment as preventative. Examples included major repairs, refurbishment, retrofit, and adaptations to address deteriorating stock, prevent the recurrence of problems such as damp and mould, extend asset life, and reduce wider public expenditure associated with poor housing conditions. As one participant noted:

> *'… if people are in good quality housing, they're safe, they're warm... the impact it can have is significant [for] health, well-being, education…'*

Fourthly, while not all participating associations were actively developing new homes at the point of interview, many highlighted housing development programmes as a significant form of capital investment:

> '*I think that where we have an impact is mainly around our development programme and consistently delivering that at scale.*'

Participants also highlighted the broader impact on local economies:

> '*If we don't get the houses in to help the businesses grow, people are just going to leave and then we're going to experience economic decline.*'

It is worth mentioning that participants noted that capital investment in new homes has historically been constrained by the funding environment, and in particular, '*parliamentary cycles*' and '*an annualised approach*' to Scottish Government funding. While several participants welcomed new multi-year Resource Planning Assumptions (RPAs) for the Affordable Housing Supply Programme[29], questions still remained regarding the quantum of Housing Association Grant (HAG) rates, with clear implications for new development:

> '*Our costs are going up... the materials were increasing by 18%. HAG's not gone up... It just doesn't work.*'

5.3 Supply Chain Effects

Supply chain activity is essential for ensuring housing associations can procure the goods, services and works they require at the appropriate quality and price, while also supporting economic growth, employment and business development. Housing associations contribute through the procurement of goods, services and works, creating demand for suppliers and contractors and generating wider economic activity throughout the supply chain.

While the AFS data records associations' total operating costs, it does not contain a detailed breakdown of procurement/supply chain by activity, supplier type or location. However, it does allow the identification of the total reactive and planned maintenance spend of the population on affordable lettings in 2024/25. While not all of the £308.4m and £177.0m respectively, will equate to external supply chain spend, it provides some sense of the potential scale against these line items.

Associations also provide some indicative data in their annual reports. For example, Ardenglen Housing Association include a 'Top 10 areas of spend' section in their Annual Review 2024/25 (reproduced in Table 5.1). Again, while not all of this spend will necessarily flow to external supply chains, the list provides a sense of the broad range of products and services procured. Fuller lists are available, for example the Wheatley Groups current contract register includes over 180 live contracts over periods lasting from 1 to 6 years with a total value in excess of £1bn, although this this includes corporate and subsidiary activities, not solely RSL operations[30].

[29] https://www.gov.scot/policies/more-homes/affordable-housing-supply/
[30] https://www.wheatley-group.com/procurement/what-we-do/current-contracts

Table 5.1: Ardenglen Housing Association include Top 10 areas of spend[31]

Rank	Expenditure Category	Annual Spend (£)
1	Total Staffing Costs	1,070,392
2	Day to Day Repairs	441,888
3	Kitchens	421,992
4	Landscape Maintenance	305,536
5	Interest on loans	277,254
6	Boilers	243,728
7	Repairs to Empty Homes	171,926
8	IT Equipment & Telecom	170,687
9	Professional Fees	128,438
10	Property Insurance	104,921

Further evidence on the contribution of housing to the economy via supply chain effects can be gleaned from Housing Association Procurement Reports. Under The Procurement Reform (Scotland) Act 2014 (PRA) public organisation with an estimated annual regulated spend of £5 million or more are required to develop and publish a procurement strategy and publish an Annual Procurement Report. As these reports provide a substantial body of data and evidence, a sample were reviewed as part of the documentary review.

Although the procurement reports vary by organisation, they generally contain a common core of information reflecting the reporting requirements of the legislation. The analysis suggests that, broadly speaking, housing associations view procurement as a strategic function that can be used to achieve wider organisational policy objectives and support local economic development. For example, there are multiple examples of associations using supply chains to generate social value, for example, through community benefits clauses within contracts (see Snapshot 5.6).

The reports also highlight a clear commitment to '*supporting and improving access to procurement opportunities for local SMEs and Supported Businesses*'[32] to help sustain local employment and encourage the development of apprenticeship programs. Evidence of both can be found in River Clyde Homes Group most recent report, which highlights that 12 out of 28 contracts awarded in 2024/25 included community benefits and 21 out of the 28 went to SMEs[33]. Furthermore, 13 of the contracts went to business within a 35-mile radius of their head office location. Procurement is also used to promote sustainability and good workforce practices. An example of the latter is Cairn Housing Association who illustrate that they are '*committed to the principles of Fair Work First'*[34] and promote the *'payment of the living wage in all regulated procurements'*[35].

[31] https://ardenglen.co.uk/data/Ardenglen_HA___Annual_Review_2024_25_2025_10_14_15_14_35.pdf
[32] https://www.linthouseha.com/uploaded/homemaster/secure_files/annual_procurement_report_24_25.pdf
[33] https://indd.adobe.com/view/9147d0f5-b341-4dc8-b660-6e891a6e2577
[34] For more details see: https://www.gov.scot/publications/fair-work-first-guidance-3/
[35] https://www.cairnha.com/publication/procurement-report-2024-25/

Again, survey response rates for questions relating to procurement spend were relatively low and therefore are not presented. However, the survey data does triangulate with the procurement report analysis, finding that the bulk of association total spend on contractors, suppliers and service providers takes place within the local authority area(s) in which they operate via SMEs. More specifically, just under half (47%) of associations estimated that 76% to100% of this spend occurred locally and a further 30% placed the figure between 51% and 75% (Figure 5.8). Similarly, 66% estimated that between 51% and 100% of their spend was with SMEs (Figure 5.9).

Figure 5.8: Proportion of total spend on local contractors, suppliers and service providers (n=30)

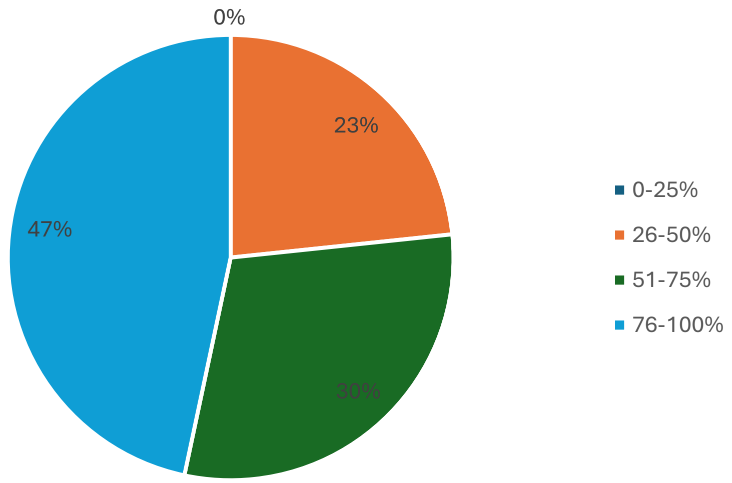
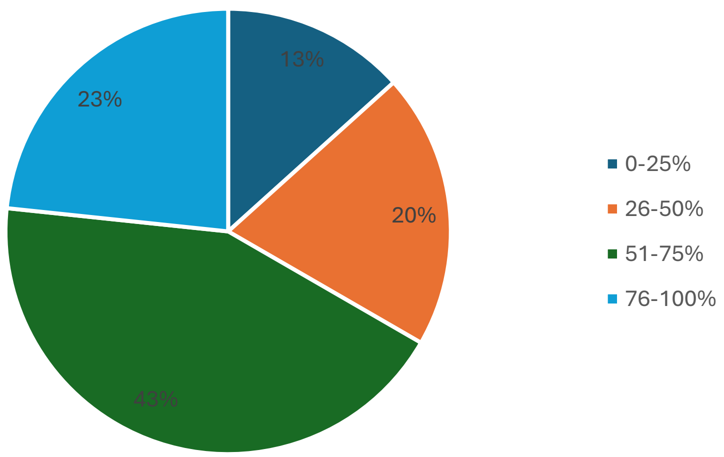


Figure 5.9: Proportion of total spend on SMEs (n=30)



During the interviews participants discussed their organisations' supply chain activities asserting that they played an important role in shaping and sustaining supply chains at national and local levels, where relevant. A central concern in doing so was to ensure value for money:

> *'So, I think what we are trying to make sure we do now is that for every single pound we spend, we are getting the value add from a socioeconomic perspective every single time. And a lot of that for us now will be about taking more control of the value chain.'*

In some cases, associations adopted a managing agent arrangement:

> ‘*So, we've mainly got a national provider… but they then have a network of local subcontractors who also work for them, but we don't directly contract with them.*’

In others, associations contract directly with local providers:

> ‘*We have about 200 contractors around Scotland […] we do a lot to try and manage that, you know, economic benefit across the country[…] we try to have procurement policies around repairs and maintenance and compliance, for example, that are very much done in geographical lots to try to encourage local smaller contractors to continue to play their role in their communities.*’

The preference for using local supply chains was often pragmatic, with some participants citing the ability of local contractors to understand local context and able to respond quickly. However, there was also a strong desire to support circularity in the local economy, which will be explored further in section 5.8.

Associations acknowledged that this approach meant that in some cases they were ‘*one of their [suppliers’] bigger customers*’ and as such, creating a degree of mutual reliance between associations and suppliers. However, participants also noted that they tried to address this ‘*risk*’ through the provision of stable long-term revenue streams that made it worthwhile for contractors to invest and grow, particularly around staff and apprenticeships.

Despite this general positivity, many noted a broader lack of ‘*resilience*’, especially in construction supply chains, with ‘*a lack of labour*’, and ‘*higher costs*’ placing pressures on providers and associations in equal measure. In fact, one observed that they had ‘*seen quite a lot of contractors go bust*’. While associations have responded to these challenges by working more closely with their supply chains, several have also created their own direct labour organisations and/or pursued the ‘*vertical integration*’ of their supply chains. The Harbour Multi-trades Snapshot in Figure 5.6 is one is one example.

Figure 5.10: Supply Chain Effects: Trust Housing Association Snapshot[36]

Procurement as a Mechanism for Delivering Community Benefits	trust
The economic issue Housing associations procure substantial volumes of goods and services to build, maintain and manage homes. There is an expectation that this expenditure delivers value for money while also supporting wider public policy objectives. As a result, procurement should operate as a mechanism through which organisations can strengthen local economies, support employment and skills, and generate wider social value. **Trust's Solution** In response to these requirements, Trust Housing Association incorporates community benefit requirements into a wide range of procurement contracts. Alongside the delivery of contracted services, suppliers are expected to generate wider economic and social value. **The economic contribution** These benefits include a range of requirements relating to apprenticeships, work placements, local supply chain development, charitable contributions and community initiatives. See economic evidence for more details.	**Economic Evidence (Sample)** **Wilson Development Ltd:** £50,000 donation to the Trust Hardship Fund. **Rodgers & Johnston Ltd:** Local apprenticeships, support with qualifications, community / school engagement, local supply chain development. **Bield Housing:** Work placements for under-represented groups, support with qualifications, community engagement, digital confidence for tenants. **Saltire FM Ltd:** Local apprenticeships, work placements, support with qualifications, local supply chain development. **William Yule & Sons Ltd:** Provision of chilled food truck to local food banks, donations to local charities. **Response BMS Ltd:** Customer well-being initiatives, local apprenticeships, work placements, support with qualifications. **QAPM Ltd:** Local apprenticeships, work placements for disadvantaged groups, support with qualifications, community / school engagement. **Green Home Systems:** £75,600 donation to the Trust Hardship Fund based on £300 per property at 252 properties. **Murray Landscapes:** Local apprenticeships, food bank donations. **Consilium Ltd:** 15 x £100 Supermarket Vouchers, one for each development involved in the project. **PHS Direct:** Apprenticeships, community volunteering, charitable donations.

5.4 Place-Based Economic Development

Place-based economic development is essential for creating and sustaining successful places. Housing associations can contribute through placemaking, community anchoring and regeneration, helping to shape the long-term economic, social and physical development of their communities.

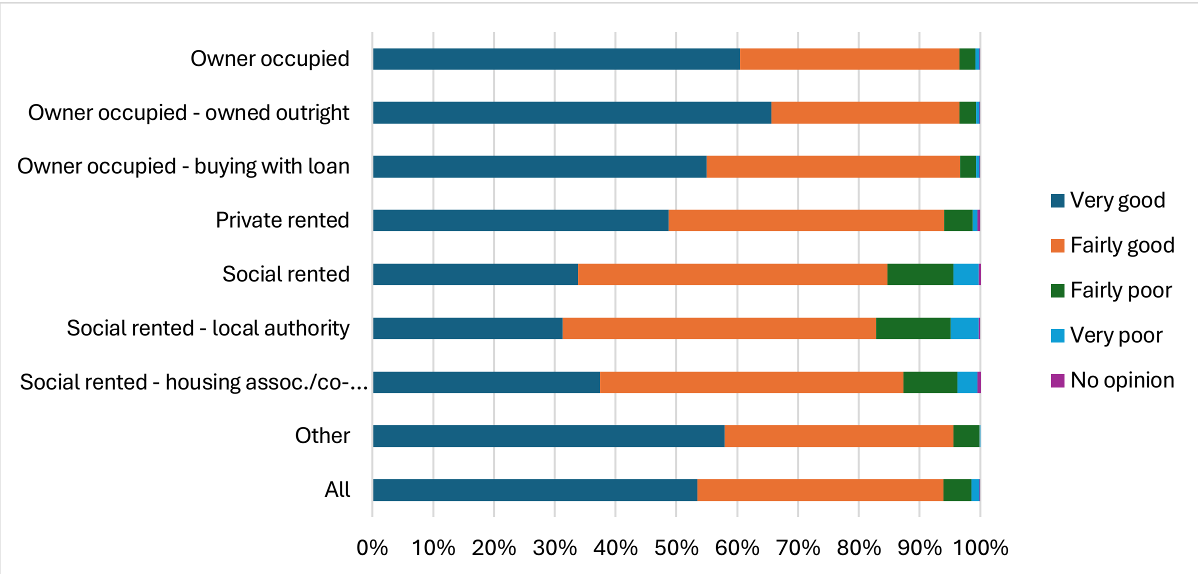
[36] https://www.trustha.org.uk/media/dajd2fwa/annual-procurement-report-24-25-trust-housing-association.pdf

The AFS is not optimised for illustrating the demonstrable effects of place-based economic development and where place-based economic development is discussed in associations standard suite of corporate and regulatory reports, the narrative is often qualitative in nature. For example, SBHA note:

> *'SBHA is more than just a housing association or Registered Social Landlord; as a Community Anchor, we operate at the heart of settlements across the Scottish Borders, committed to shaping and strengthening the communities we serve. In developing this plan, we acknowledge the two key policy drivers shaping regional economies: our collective Journey to Net Zero homes and our ability to harness data for informed decision-making and stronger outcomes…'*

The Scottish Housing survey provides some contextual data, suggesting that 88% of households living in housing associations homes rate their neighbourhood as fairly good or very good as a place to live (Figure 5.11). This scoring is higher than those of local authority households but less than those of owner occupation and PRS households.

Figure 5.11: Rating of neighbourhood as a place to live by tenure

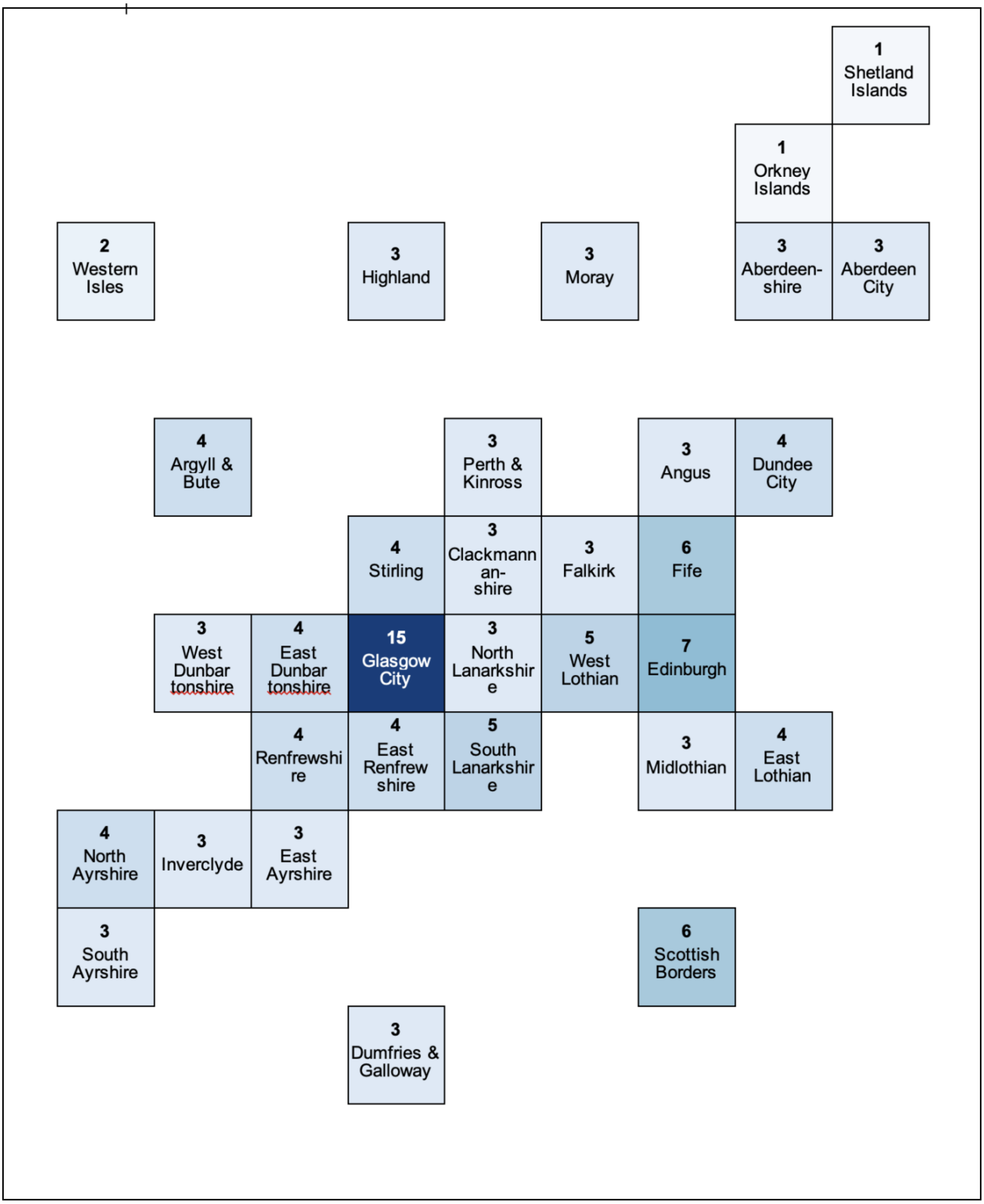


Source: https://www.gov.scot/collections/scottish-household-survey-publications/#resultsofthe2024survey (Table 1_34)

The same data source also offers insights into households' strength of feeling of belonging to community and the level of housing satisfaction by tenure. In terms of the former, housing association households had a lower strength of feeling (74%) (very strongly or fairly strongly) than households in owner occupation (84%), and a higher strength of feeling than PRS households (63%) and local authority households (71%). In terms of the latter, housing association households were less satisfied (very or satisfied) (85%) than households in owner occupation (96%), equally satisfied with PRS households (85%) and more satisfied than local authority households (78%).

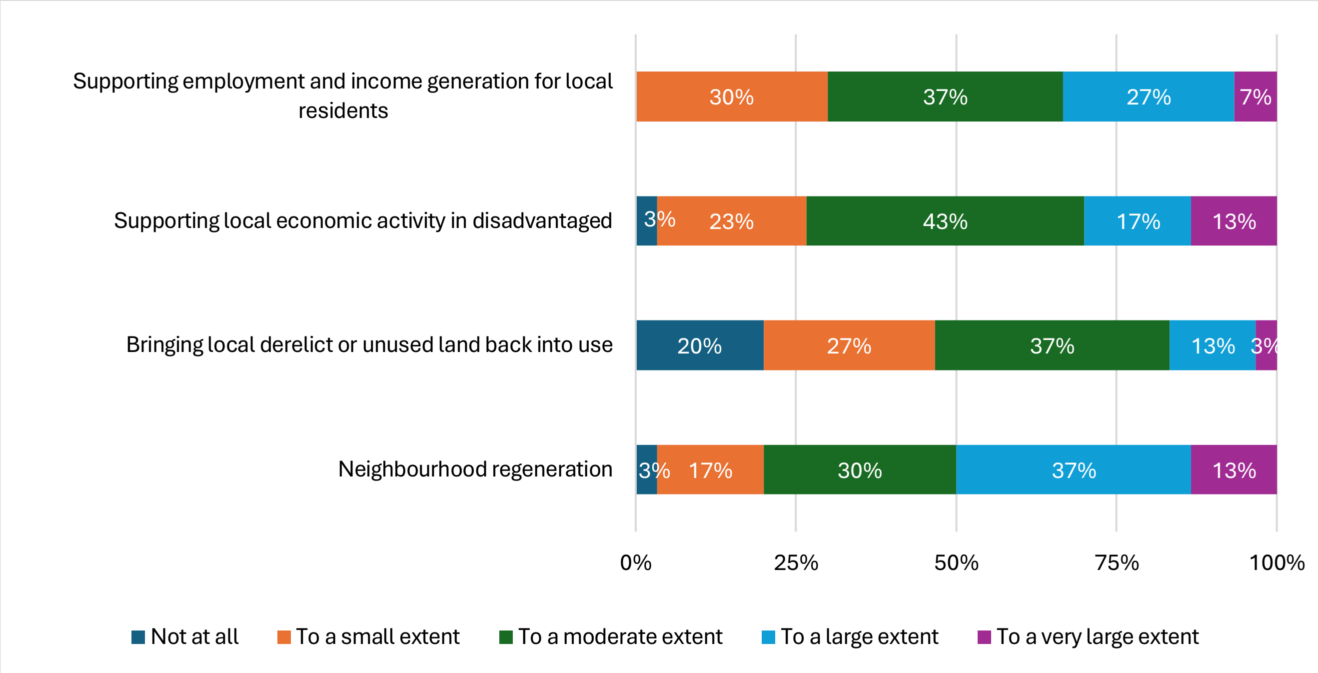
This projects survey data provides a sense of the geographical reach of housing associations place-based economic development. The cartogram in Figure 5.12 highlights that associations in the sample operate in each of Scotlands 32 local authority areas. In addition, the survey findings reveal the geographical context in which associations operate based on the Scottish Governments 6-fold urban rural classification. Associations in the sample operated across all 6 classifications. Almost two-thirds (63%) of respondents' organisations operated in large urban areas, while over half (53%) operated in accessible rural areas. Around two-fifths also operated in other urban areas (40%), accessible small towns (43%) and remote small towns (43%), and just under a third (30%) operated in remote rural areas.

Figure 5.12: Geographical operations (n=30)



The survey data also identified the extent to which respondents believed their organisations contributed to established place-based economic outcomes. Just over one third (34%) believed their organisation played a large or very large role in supporting employment and income generation for local residents, while a further 37% reported a moderate contribution (Figure 5.13). 73% believed it supported local economic activity in disadvantaged areas to at least a moderate extent. Reflecting different association practices, only 16% reported contributing to a large or very large extent in bringing derelict or unused land back into use, compared with 50% in neighbourhood regeneration.

Figure 5.13: Extent to which organisations contribute to local economic outcomes

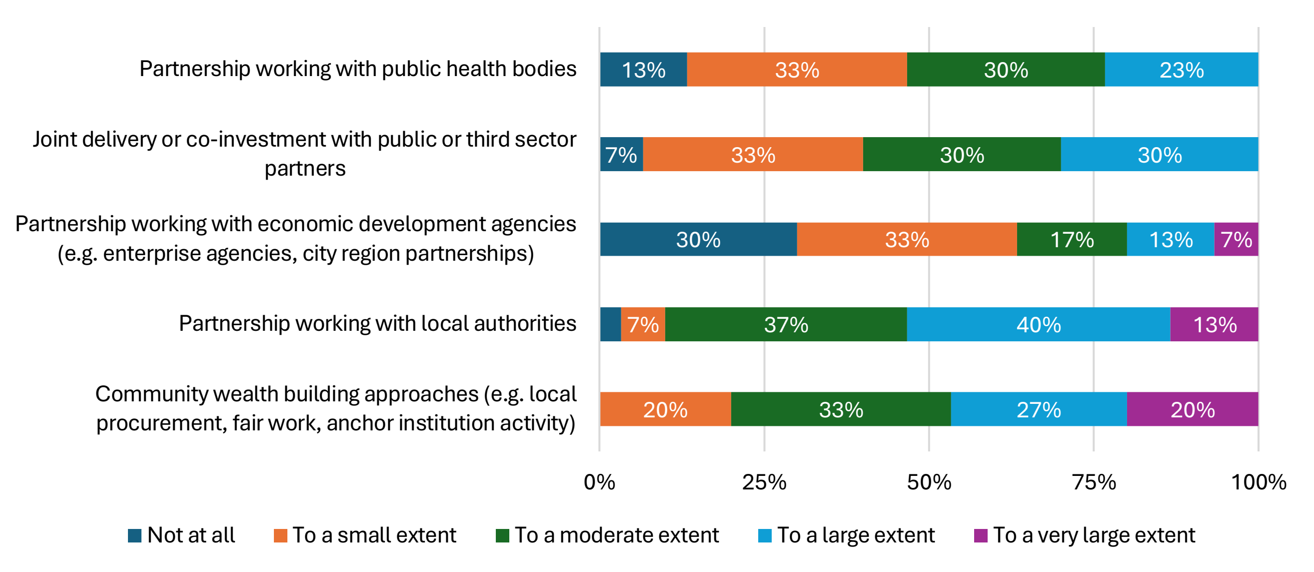


(n=30)

The types of approaches that associations use to enable local economic development were also explored. These findings also provide an insight into the types of partnerships they participate in.

Just over half (53%) undertook partnership working with public health bodies to at least a moderate extent (Figure 5.14). This figure was 60% for involvement in joint delivery or co-investment with public sector partners, 37% for partnership working with economic development agencies, 90% for partnership working with local authorities, and 80% for community wealth building approaches, including for example, anchor institution activity.

Figure 5.14: Extent to which organisations engage with differing approaches to support local economic development



(n=30)

To provide further insight into how associations support place-based economic development, respondents were asked whether their organisation had been involved in regeneration or place-based development projects during the previous five years and, if so, to provide examples. In total 63% stated that that their organisation has been involved in such projects, providing 19 interesting and varied examples. Three examples have been included in the tables below, which relate to different aspects of place-based economic development, namely placemaking, community-anchoring, and regeneration.

Table 5.2: Example 1- Placemaking (Source: Survey)

The Association has been working in partnership since 2018 with Transforming Communities Glasgow, involving representatives from Glasgow City Council, Wheatley Glasgow and the Scottish Government, to deliver a masterplan for the North Maryhill Transformational Regeneration Area. This has involved place making discussions, community consultation and taking a landscape led approach to the development of a mixed tenure proposal including 78 social rented houses and mid-market rent flats and approximately 90 private housing for sale. This will be delivered through appointment of a private sector developer. The developer is anticipated to go on site during 2027/28. The Association is also working with Transforming Communities Glasgow on sites within the main Maryhill Transformation Regeneration area, including since 2023 at Collina Street where another private sector development partner approach is proposed to deliver a site including social rent, mid-market rent, new supply shared equity and homes for outright sale, with over 100 units in total proposed. There was significant community consultation at pre-planning application stage It is envisaged this site will commence 2028/29.

Table 5.3: Example 2- Community Anchoring (Source: Survey)

[We] completed a community asset transfer of the Whiteinch Centre and created a wholly owned subsidiary to support the needs of our tenants and the wider communities. This building is part of our offices and adjoining flats built at the same time. The building was losing £150k a year and had no funding. In 3 years, we have invested in the property and the new property and have just published our Social Value and Impact figures for 2025-26 which are £10.6 million.

Table 5.4: Example 3: Regeneration (Source: Survey)

[We] engaged in the redevelopment of the former Bowhill Miners Institute building in Cardenden, Fife. The historic community building opened in April 1934 and has been unused for almost thirty years and was close to collapse and being lost to the community. It was carefully restored and renovated to become ten modern and energy efficient flats for much-needed social housing, returning the building to its original place at the heart of the local community. The development was completed in 2024. Once the focal point for miners' welfare activities including dances, weddings, education programmes and even sustaining local industrial action, the building has been saved from demolition and reconfigured with a modern extension added to the rear to bring it back to life. This was all the more pertinent following the recently announced national housing emergency and high demand for affordable homes. The properties were targeted towards addressing homelessness in support of Fife's Rapid Re-housing Transition programme.

During the interviews, several approaches to place-based economic development emerged, which broadly aligned with those identified in the corporate literature. Firstly, many associations evidenced that they sought to create places in which communities could thrive. In these instances, placemaking was framed around social drivers, including wellbeing, social cohesion, and community participation, amongst others, with interviewees recognising that these activities could also generate wider economic benefits through prevention. Generally speaking, this form of placemaking was not simply focused on affordable rent tenants, but also tenants and occupants in other tenues and neighbouring communities whether formally part of the association or not.

A detailed example is presented in this section's Snapshot (Figure 5.15). Associations often make the system links that allow the 'connective tissues' of community to grow. They can see the feasible connections that other less place-focussed and grounded organisations cannot.

Secondly, participants described more explicit place-based economic interventions, where housing was used to support local economic renewal, employment and population sustainability. For example:

> '…*we're working in partnership to with the local community development trust, who have got funding, which they are developing into a small number of bungalows and an ambulance station, which is going to generate employment and then people will move out of our housing into the bungalows and then our intention is that we will re-let our housing for mid-market rent to working households rather than a social rent. So, it's really small probably 6 units, but the impact that can have on a small rural community, we hope will be quite significant.*'

Thirdly, participants frequently described associations as community anchors. In some cases, the anchor was service led, but it was often tangible, linked for example, to the use of a community hub, facility:

> '… *we're not just driving accommodation as landlords or delivering services, but it's that community anchor activity. And I think we've got some really good examples of where we do to add value and almost fill in the gaps that are starting to come through decommissioning*

services with the local authorities… And not just our own tenants, but it's people within a geographic, that's kind of, zone clusters… who's in the vicinity that could benefit from the services that we offer?

So, people either come into the service or potentially we go out into the community. The Opal project[37], the older people's inclusion project is a great example of that. We're using our community hub and people from the community are coming in and benefit.'

Fourthly, some believed that place-based economic development was about building housing at scale where it is needed and creating new places to allow economic growth but also supporting regeneration:

'*I think we're kind of maybe different to some other organisations because… we're not a significant employer in any particular area and I don't think we have that community anchor role in the same way that other associations do, particularly community-based associations... For example, an organisation… that has a that has more stock in one in one local authority area, because we don't do that. I don't really see that as where we have an impact. I think that where we have an impact is mainly around our development programme and consistently delivering that at scale in places that are growing and need association homes and also delivering our commitment to mixed tenure provision and trying to develop sustainable communities and being part of the story of the regeneration of Glasgow and other smaller places.*'

This emphasises the 'flexible housing market agent role', as opposed to the 'community social housing anchor role' identified above. They need to be more explicitly recognised and supported in the growth places of Scotland, not least in multiple dispersed pockets of economic growth driven housing shortages in rural Scotland. The participant went on to note that their associations activities had differing economic impacts and functions in different areas:

'*I think we play a different role in different places. I think all affordable housing plays a different role in different places. But I do think that the impact of... new affordable housing in like Glasgow is very different to in Edinburgh where in Edinburgh is just about providing people with a more affordable product that lets them, allows them to live in the city and therefore make all that wider contribution. Whereas I think in Glasgow, there's a wider kind of regeneration benefit to using subsidy for new housing cleverly… And also, I think that we've seen that kind of successful housing led regeneration model to create more sustainable communities in parts of Glasgow that weren't very sustainable 30 years ago.*'

Fifthly, some viewed place-based economic development through the lens of re-generation:

'*So, sometimes I guess it's regeneration through refurbishment, sometimes it's regeneration through demolition and repurposing.*'

Several examples were provided of differing scales and impacts. Whilst in some cases associations were taking the lead in place based economic development, others pointed to a joined-up approach working with other public sector and private sector partners to deliver place-based economic

[37] https://www.eildon.org.uk/your-community/opal-older-people-active-lives/

development. One participant illustrated this though an account of the TRA program in Glasgow, which is a long-term regeneration initiative delivering housing-led renewal in some of Glasgow's most disadvantaged communities:

> '*These eight TRA areas were areas of market failure. The private sector did not want to go to these areas. They didn't want to go to Sighthill, didn't want to go to the Gorbals. They didn't want to go to, you know, the Hampden area. They didn't want to go to Maryhill or Govan, Ibrox or Red Road Flats. They couldn't see a proposition there. But when it became a municipal priority, when it became something that was coherent around the city saying, no, we think these places are important and we're going to dedicate specialist resources, roads engineers, planners, etc. And we've got an anchor organisation and someone at that time, it was GHA, then suddenly these became propositions. We created master plans around these areas. spatially, driven by the plan, we had a spatial idea of what was going to be put into these places, how they would connect through the right type of infrastructure. Then suddenly there were places where the private sector wanted to go and we hadn't done anything at that point physically. Let's be honest about that.*'

That observation repeats the research findings reported by Maclennan (1994) that association led renewal in Glasgow's older neighbourhoods created the platform for a subsequent surge in new private investment in the central city and inner neighbourhoods.

Sixthly, some noted the importance of mixed tenure developments in creating vibrant sustainable places.:

> '*I think that where we have an impact is mainly around our development programme and consistently delivering that at scale, also our commitment to mixed tenure and trying to develop sustainable communities…*'

It should be noted that while some participants provided examples of associations being part of place-based economic networks, including community planning partnerships and regional economic development agencies, the level of connection and involvement differed by association and geography. One association's pro-active approach is summarised below:

> '*We've always been a developing organisation, we've always tried to use our presence, our footprint to leverage some of the other things that we do, working in partnership with others, supporting others, trying to have good alliances across the wider economic landscape, whether that's the South of Scotland or the Edinburgh and South East Scotland approach, whether it's a relationship with the regional college in terms of developing workforce or just trying to be a bit innovative in terms of helping the council on delivering their objectives. We have that ability to be flexible and to move quickly on things that the bigger public sector organisations, with the best will in the world, simply can't do. So that's how we try to position ourselves to try and lean into that with some success.*'

In previous work for DHI, Maclennan (2022) has written of the way Scottish level policy communities and institutions lost and then rediscovered the importance of 'place' and its close connection to, inter alia, housing investment. The place related aspects of housing association investments and actions were well known to, and supported by, Scottish Homes and Communities Scotland.

Figure 5.15: Placed-Based Economic Development Snapshot (source: interview)

Prevention Via Place-Based-Interventions	HARBOUR
The economic issue New housing developments do not automatically create successful places. Without investment in community development and social infrastructure, developments may experience social fragmentation, reduced community cohesion and other challenges that can have wider economic implications over time. **Harbour's Solution** Harbour Homes dedicated placemaking team invested in activities to help build a sense of community, integrating new residents with existing neighbourhoods through environmental improvements, community events and local partnerships. **The economic contribution** By investing in placemaking alongside physical development, Harbour Homes adopted a preventative approach, using community development activities to build social cohesion and reduce the risk of antisocial behaviour, potentially minimising management costs, reducing demand on other services, and support the long-term sustainability of the neighbourhood.	*'We've got a placemaking team… So, we put up this big block, and we basically plugged lots of people in there and other housing associations and of course the private developers who've built properties nearby. They just build them and kind of walk away and they've got their housing manager, their housing people who will come in and take the rent or deal with any problems. Whereas what we did, which I think is slightly different to others approaches, is we got a placemaking team involved and we tried to set up that sense of community. Because it was a new community and we tried to integrate them with… existing communities. So, we had… Community Gardeners came in and helped them design their back green, helped them grow things, got people out. We had a couple of like celebrations, parties and so on that we were hosting to get them to know us and the support that we were able to give them. We also got [a local] Football Club in because we knew we were going to have antisocial behaviour over the summer because there were families and, you know, quite a restricted space. We had the children, you know, either occupied or taken away and, you know, a bit of fun and getting to know each other and so on. So, it's more that community work that I think is possibly intangible. And it wasn't just our tenants; it was other tenants and the local community who was already there.'* Heather Kiteley (CEO) Harbour Homes

Understanding and tacit knowledge within government atrophied after 2010 and recreated interest, a decade or so later, focussed on 'place principles', mostly already known to associations that were passed down to successively more local levels of government with advocacy rather than hard cash to support them. Whilst policymakers appeared to talk the talk it was associations, in most projects, who walked the walk.

It remains a mystery to outside observers, and indeed many in the association sector, why associations were not always central to the tables framing inclusion and community wealth policies for Scotland.

More practically, in this study multiple cases of associations undertaking community related economic developments were not represented on local economic development partnerships and associations were almost entirely missing from the governance arrangements of the Scottish City Deals. That has to change as the new national housing agency emerges.

5.5 Human Capital and Skills

The development of human capital and skills is essential not only to the operation of housing associations but also to the functioning of local economies. Associations can contribute through investment in their own workforce and by supporting employability, training and skills development within the communities they serve.

The AFS provides some data on staffing costs, which allowed the scale of employment to be evaluated, and for key staff ratios calculated earlier. However, these do not provide a picture of how associations invest in developing skills, knowledge and capability both internally and externally. Associations' corporate reports, particularly their corporate strategies and business plans, include more details on how associations develop human capital and skills via training, development, qualification, mentorship, and general careers support. This includes a range of both quantitative but mainly qualitative data that is generally focused on describing activities, commitments and immediate outputs. For example, focusing internally, Almond Housing Association set out their goal of being an '*Employer of Choice*'[38]. The '*why*' includes their commitment to building capacity via staff learning and development:

> '*Creating the capacity for future success is key to achieving our ambitions. And so, we'll be investing in learning and development, and ultimately service improvement, by delivering an effective learning plan which ensures all of our colleagues have the right skills to deliver the right results.*'[39]

The '*how*' is via appropriate training:

> '*We'll ensure our people are equipped with the confidence and competence to deliver in their roles by providing ICT training and support, as well as several days of key learning experiences throughout the year.*'

Employees are expected to undertake 3.5 days of '*learning experiences*' per year. The commitment to being an '*Employer of Choice*' is underpinned by financial investment. Specifically:

> '*Investment of more than £ 50k in ensuring our people have the right skills and tools to deliver in their roles, and to provide a range of learning experiences to help them develop further.*'

[38] Note: Many associations hold external accreditations such as Investors in People and We Invest in Wellbeing
[39] https://www.almondha.org.uk/uploads/2022-05-10-16-43-47-BusinessStrategy18pdf-46023.pdf

Focusing externally, they also have a commitment to support wider community training and employability:

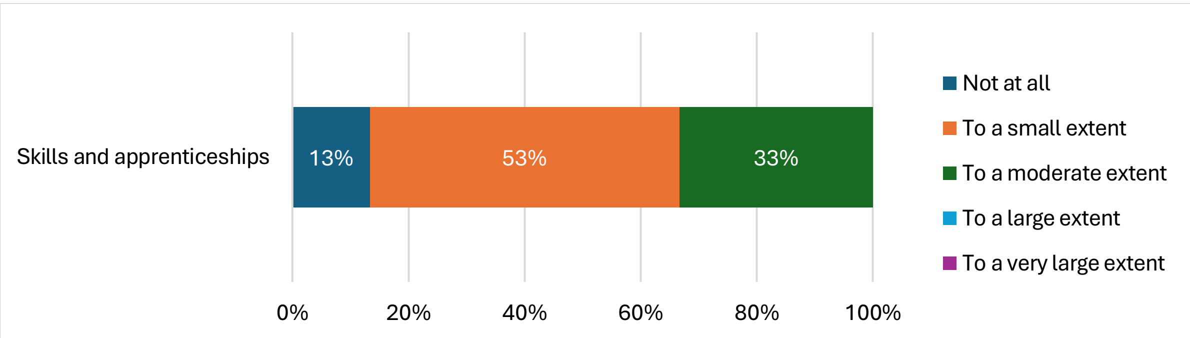
> *'As a local community-based service, we're acutely aware of the positive impact we can have on the lives of our customers and the wider community. Much has been achieved over recent years with regard to local projects either delivered directly by Almond or by partners with our support. We believe that we are uniquely placed to extend our work in this area and over the life of our Business Strategy will be exploring opportunities for impacting positively on areas such as training and employability.'*

The Snapshot in Figure 5.17 provides a further example of how an association can develop external human capital and skills.

The broader analysis of a sample of corporate reports reveals variations in internal and external approaches in both scope and scale, but associations generally invest significantly in developing human capital, offering a wide array of support designed to develop staff careers and drive inclusion and widen participation amongst their communities. Despite this, there does not appear to be a ready source of information that allows for the quantification of the total sector spend in these areas, let alone estimates of the overall economic impact of these commitments. The survey sought to make some progress in this regard, asking respondents to summarise their training expenditure. However, the question did not generate sufficient response to produce robust data.

The survey did identify, however, that half of respondent organisations supported apprentices, trainees or formal training placements, with the reported FTE ranging from 1 to 15. Furthermore, when asked to identify the extent to which their organisations contributed to the Scottish Economy through the development of skills and apprenticeships, the bulk of respondents (86%) reported to a small or moderate extent (Figure 5.16).

Figure 5.16: Extent to which respondents consider that their organisation contributes to the Scottish Activities (n=30)



During interview, participants discussed their staff offerings and commitment to their workforce. However, there was substantial discussion around the skills shortages faced by associations, which varied significantly by organisation type and location. For example, associations with care functions, noted staffing pressures, especially around peak employment periods, and particularly in locations with high labour demand:

> '*… because of our proximity to Amazon, we will lose close to 20% of our [care] staff over an eight-week window in the lead up to and immediately after Christmas. Why? Because they'll pay the one pound 20 extra an hour to leave us and go there.*'

In this sense, associations invest in the living wage, fair working practices, training and development etc., not only because they believe it is the right to do, but also to sate operational requirements in challenging labour markets.

In further examples, some pointed to issues in securing trades to undertake repair and maintenance works, as well as shortfalls in SMEs to undertake construction activity. This was said to be due to a variety of differing reason ranging from historic underinvestment in skilled trades, to association geography (i.e. rurality). This had led many to '*vertically integrate*' their supply chains into wholly owned subsidiaries as noted in section 5.3. The challenges are obvious, but the potential benefits for associations include '*more control over customer care, service quality and satisfaction*', '*cost savings compared to using external contractors*'[40], and of course labour force stability, amongst others. Economically, these subsidiaries are able to offer employees '*stable*' long-term employment linked to the resilience of RSLs parent organisation. In one example, an association was planning further vertical integration in order to support their transition to green energy and increase employability:

> '*We've got a direct labour organisation in the business. It's not terribly big. It's about 120 of our trade staff, the general trades, as you would imagine them. And they do, you know, a fairly sizable chunk of our repairs and maintenance programme for us. We've been running that for more than 15 years and it's growing… we're going to vertically integrate [other services] into the business, into our DLO, and we're doing that not because we want to do [the service], but what we want to do is to create the jobs of the future through a just transition to green energy…. it will be a one-stop shop and keep the value inside the group and at the same time target local communities and disadvantaged young people to say not only is there a job output at the end of it for you, but here's an end-to-end programme in a strategic partnership with [a local further education establishment].*'

More broadly, and triangulating with the survey data, several participants discussed the important role of apprenticeships. Not only do associations create apprenticeships externally via their supply chain (see Section 5.3), but several also recruit apprentices directly:

> '*What we're trying to do is talk to the likes of the [local university] … we're part of a working group… it's about developing young people and skills and very much taking the approach, we'll try and grow our own. So, we've introduced a few more apprenticeships this year and the idea is that over time, as we can afford it and as we're needing to replace people, we'll bring in more apprenticeships.*'

[40] https://www.grampianhousing.co.uk/tlc-housing-maintenance-ltd/

Figure 5.17: Human Capital and Skills Snapshot

Supporting Employability via Kingdom Works

KINGDOM Works

The economic issue

Individuals experiencing unemployment or other barriers to work often require more than access to job vacancies alone. Many need support to develop skills, confidence and employability before they are able to enter or re-enter the labour market.

Kingdom's Solution

Kingdom Works is an employability project that provides a range of employability services and '*tailored support to find suitable routes into employment and training*'. This includes CV assistance, help with applications, provision of pre-recruitment training courses, amongst others.

The economic contribution

By investing in employability, Kingdom has helped individuals develop the skills and confidence needed to access employment across a range of sectors. It has also helped local employers find suitably qualified staff. In doing so, the initiative supports labour market participation and local economies.

'*We are about places, we are about homes, but we are at the root of it, we're anti-poverty. And then that therefore opens up the lens for us… The Housing Association has been actively involved in a programme called Kingdom Works for more than a decade now… Kingdom Works… takes between 700 and 800 participants through it every year. So, in the last decade, more than 8000 people have been through a programme with us. That programme can vary dramatically from young people who we might take in who want to go into… you know, beauty or some other course and we help build capacity in them to get the skills right to get into that industry, through to people who want to get the oil and gas. So, we take a mixture of training and development funding both from the Scottish Government and from the UK Government to do that. And it's been a very successful programme.*'

Tom Barclay (CEO) Kingdom Group

Economic Evidence

- 12 FTE employees
- Partnerships with local employers & agencies
- 8,000+ people supported
- 6,000+ accredited training courses delivered
- 4000+ supported into employment

Source: Interview, Kingdom Works, Kingdom HA, Fife, and https://www.kingdomhousing.org.uk/wp-content/uploads/2024/05/Kingdom-Works-Community-Impact-Report-2023-24-web.pdf

5.6 Labour Market Enablement

Labour market enablement is essential for ensuring individuals and employers can participate effectively in the economy. Housing associations contribute by providing affordable housing that supports labour mobility, enables access to employment and education, and helps employers recruit and retain workers[41].

While the AFS data does not offer any insights into labour market enablement, associations corporate reports provide a range of insights, often in the form of strategic commitments. For

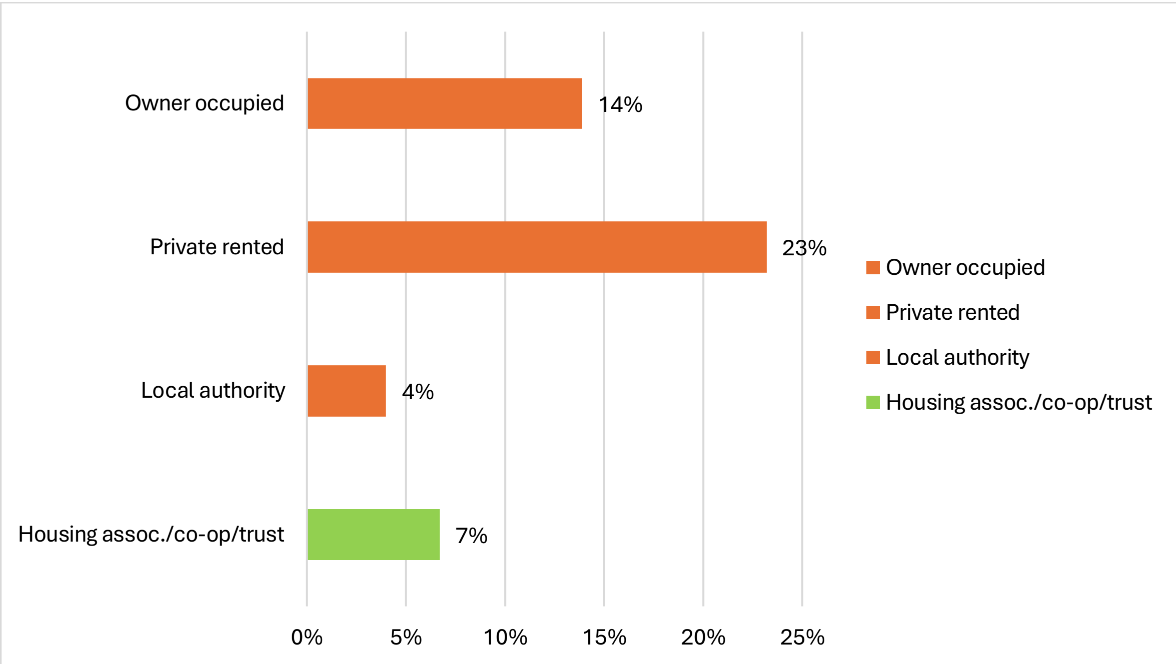
[41] Two reports by CaCHE provide further evidence in this area. See: https://communitiesthatwork.co.uk/images/pdf/Improving-Opportunities-APPG-Inquiry-full-report.pdf and https://housingevidence.ac.uk/wp-content/uploads/2024/11/271124-Unity-Final-Draft.pdf

example, in discussing their development pipeline, one association highlighted their focus on mixed tenure developments, including a focus on '*key worker homes*'[42]:

> '*Our development pipeline will align with identified demand across tenures, promoting the provision of more homes across all tenures with an emphasis open market purchase, particularly in areas of mixed tenure, expanding our role in Mid-Market Rent, key worker homes and models that deliver commercial benefits, enhancing the viability of developments.*'

The Scottish Household Survey (SHS) tells us that 7% of housing associations households moved to their current area to be close to work/employment (**Error! Reference source not found.**). While this is lower than in owner occupation and the PRS, it is higher than for local authority-based households indicating that employment is an important reason for moving for a minority of housing association households.

Figure 5.18: Reason for moving to the area by tenure- To be close to work/employment

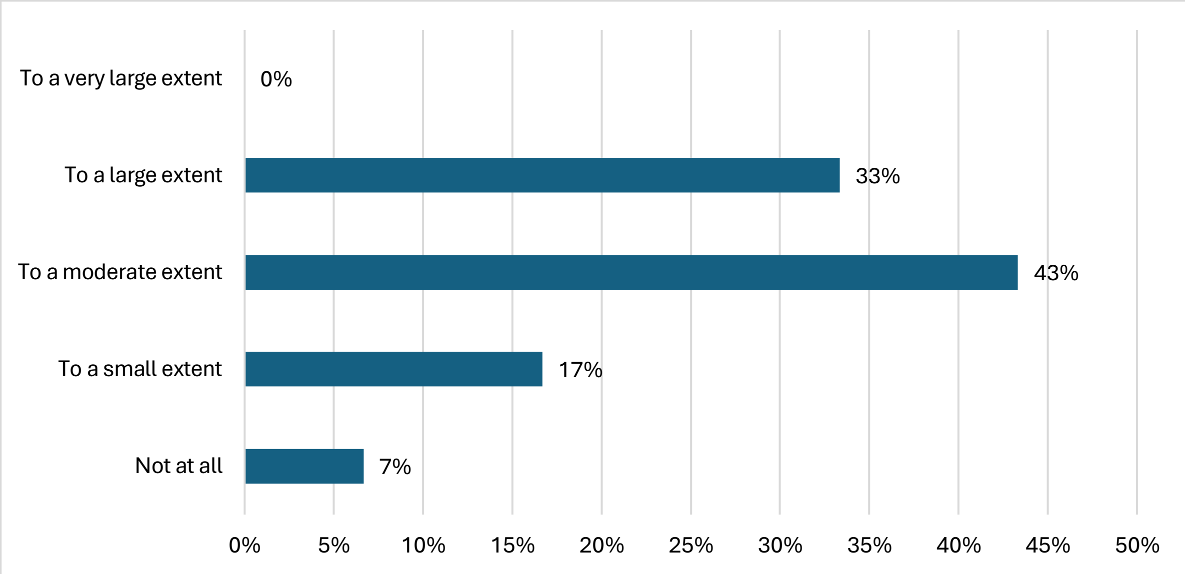


Source: https://www.gov.scot/collections/scottish-household-survey-publications/#resultsofthe2024survey (Table 1_23)

The survey asked respondents to what extent they considered that their organisation's housing provision supported wider labour market outcomes in three key areas. The first focused on the extent to which their provision supported the recruitment of workers locally. Associations did not overclaim with zero responses in the very large extent category (Figure 5.19). However, more than three quarters (76%) reported their impact as moderate or large.

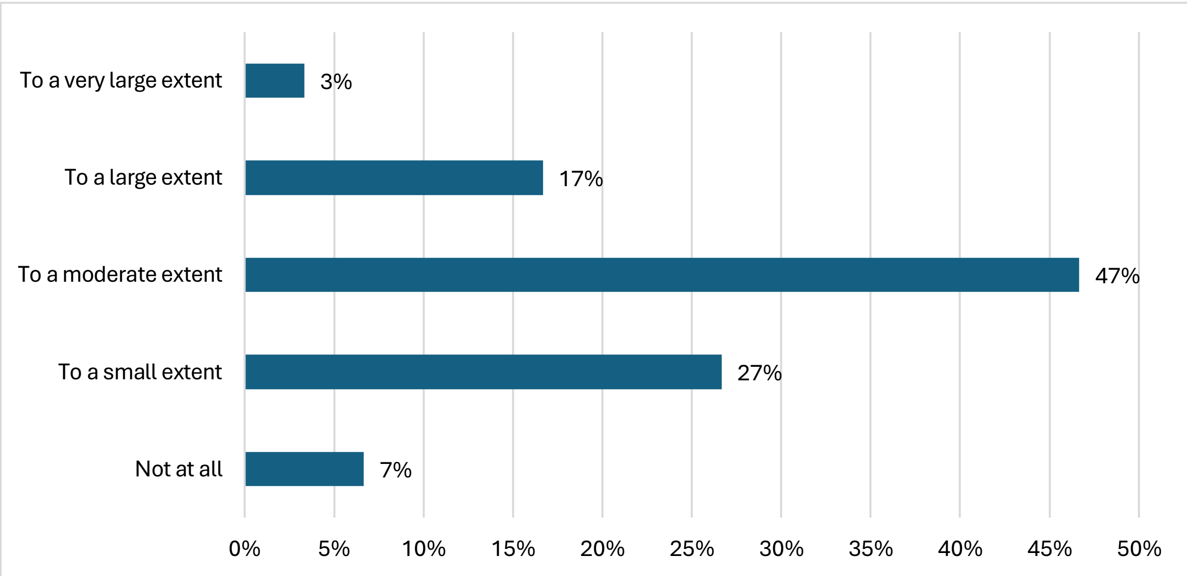
[42] https://www.sbha.org.uk/wp-content/uploads/2025/07/2025-30-strategic-and-business-plan.pdf

Figure 5.19: Extent to which organisations housing provision supports recruitment of workers locally (n=30)



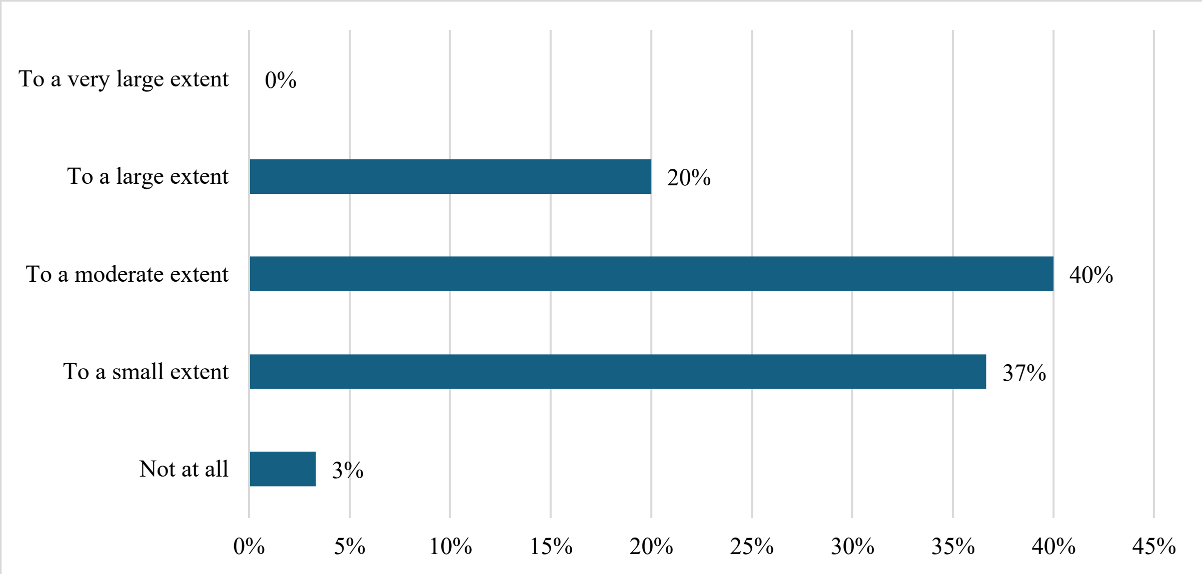
The second was focused on the extent to which their provision supported the retention of key workers locally. More than two thirds (67%) reported their impact as moderate, large or very large. However, a slightly higher proportion selected a small impact than in the previous question (27% vs. 17%) (Figure 5.20).

Figure 5.20: Extent to which organisations housing provision supports retention of key workers locally (n=30)



The third was focused on the extent to which their provision increased workforce participation. Around 60%, reported their impact as moderate or large, with no reports of very large (Figure 5.21). More than a third (37%) pointed to small impact.

Figure 5.21: Extent to which organisations housing provision increases workforce participation (n=30)



During interview it became clear that MMR products offered by some associations via subsidiaries played a strong role in labour market enablement, particularly in terms of key workers. For example, one participant provided an example of a schoolteacher who would have quit her job without access to MMR:

> *'She was a schoolteacher working in Perth but had been living and commuting from Glenrothes from a very unaffordable private rent. And she couldn't save up, couldn't do anything, and was about to quit her job when she discovered mid-market rent, purely accidentally. With a very modest amount of subsidy going in at the front end, we can create a product that economically serves a marketplace. And now you've got a schoolteacher telling you that she was about to quit her job that she loved… because she couldn't afford to travel and still stay in some grubby PRS thing… every day. And so, a successful economic story and an education story as well as a kind of local economy story for her.'*

Another highlighted more broadly how MMR provides support labour market participation by providing tenants with the confidence to move for work:

> *'I think it [mid-market rent] achieves different things in different places… it does provide, as you suggest, a mid-market point for people who can't afford full market housing but wouldn't be eligible for social rent. It's interesting speaking to people who live in our mid-market housing, because one of the things that they say they're attracted to is that stability and… not being a private tenant and feeling insecure and that they might kind of get thrown out of their home at any point... So, it's not just the affordability that attracts people, it's the type of landlord we are and the fact that we're there for the long term. And I was speaking to people who said they felt confident kind of moving for work because of that long-term commitment.'*

Another provided an example of an association working in partnership with the NHS to support its key workers:

> *'We were approached by [the] NHS… a few years ago because they had problems recruiting for nursing in particular. And at that time, just before 2017, as you know, the market was still quite hot. And… even though they came to train at Aberdeen universities, it's not a place they wanted to stay because it just wasn't affordable. So, we progressed a key worker accommodation… It was a former nurses' hostel, which was past its sell by date and had been empty. So, we worked with the NHS. They gave us preferential access to buy the site… and we built over 101 affordable flats there, of which 80% were for mid-market and the rest were for lower income NHS staff, such as, you know, auxiliary workers and caretakers.'*

A final innovative example of labour market enablement is presented in Figure 5.22.

Figure 5.22: Labour Market Enablement Snapshot

Supporting Island Economies Via Housing

hebridean housing partnership

The economic issue

SSEN is undertaking a large-scale infrastructure project in the Western Isles. Such projects can place significant pressure on local housing, particularly in rural and island communities. The alternative, temporary worker villages, can affect staff wellbeing and leave no lasting legacy, making it more difficult for employers to recruit and retain workers.

HHP and SSENs Solution

Hebridean Housing Partnership and SSEN are working in partnership to build 73 new homes just outside of Stornoway. As part of a £17m deal, 73 homes will be built. 23 will be immediately available for the local community and 50 will provide accommodation for SSEN workers. On completion of the works, these properties will be used to provide affordable rent or low-cost home ownership for islanders.

The economic contribution

The economic contribution is significant. Construction of the homes will support the local workforce, enable a major infrastructure project, support future workforce recruitment and labour mobility, increase the supply of affordable housing, and support population retention.

'We've just signed a big funding agreement with SSEN to provide houses for their workers… So, when they finish needing them, we then have these houses. And the plan is that when they go, that we'll sell probably maybe about 16, keep some for key workers, and then the rest will commit to stock. And the key workers part in particular, I think, is going to be really helpful…'

Dena MacLeod (CEO) HHP

'A lack of housing for local people is a big issue in many of the communities we serve, and our housing strategy demonstrates how we are working in partnership with HHP and others to develop imaginative proposals that will deliver new homes and can act as a template for other developers.'

Sandy Mactaggart (Director of Offshore Delivery) SSEN Transmission

Economic Evidence

- 73 homes in total
- £17m SSEN investment
- 1.8 GW in infrastructure

Source: Interview, https://www.scottishconstructionnow.com/articles/ssen-transmission-and-hhp-to-deliver-new-homes-in-lewis, and https://www.ssen-transmission.co.uk/news/news--views/2026/6/ssen-transmission-and-hebridean-housing-partnership-to-deliver-new-homes-in-lewis/

5.7 Household Stability and Financial Security

Household stability and financial security are essential for supporting long-term economic wellbeing. Housing associations contribute by providing affordable, secure housing that reduces housing cost burdens, supports stable employment, and reduces financial precarity.

AFS data provide limited evidence to support this narrative domain. While aspects of household stability and financial stability feature heavily within corporate strategies and business plans, it is within annual performance reports that many associations present detailed empirical evidence. Take for example the minimisation of housing cost burdens via affordable rents. To monitor and evidence this, associations report their weekly rents and compare these to other housing associations. Angus Housing Associations reports these stats thus:

Table 5.5 Weekly rents comparison Angus Housing Association

Property size	Average weekly rent (AHA)	Scottish average weekly rent	Difference
Bedsits	£57.39	£87.12	-£29.73
1 bed	£88.30	£93.27	-£4.97
2 bed	£103.61	£96.00	£7.61
3 bed	£117.44	£104.51	£12.93
4 bed	£127.59	£115.58	£12.01

Source: https://www.angusha.org.uk/annual-performance-report-2024-25/

However, a more revealing comparison is against PRS rents. The Scottish Housing Regulators National Report on the Scottish Housing Charter reveals that the average weekly social rent is £97.59 a week[43]. When compared with an average PRS rent[44] of £288.46[45], it is little wonder, therefore, that that 82% of tenants are satisfied that their rent presents good value for money.

Associations also help to lower housing cost burden by lowering energy costs. This is often achieved via the provision of information and advice and retrofit activity. Advice can be provided internally or externally, but Calvay Housing Association, for example, has recently appointed a Home Energy Advisor to support its tenants[46]. With regards retrofit, the same association recently installed external wall insulation and air heat pumps in some of its properties:

> ‘*During the year, our External Wall Insulation (EWI) programme began upgrading properties in Calvay Crescent, Calvay Road and Barlanark Road. By the end of September 2025, all the work to the buildings had been completed. The project included the installation of Calvay's first air source heat pump (ASHP). We will be monitoring the ASHP's performance so we can learn what works in our properties.*’

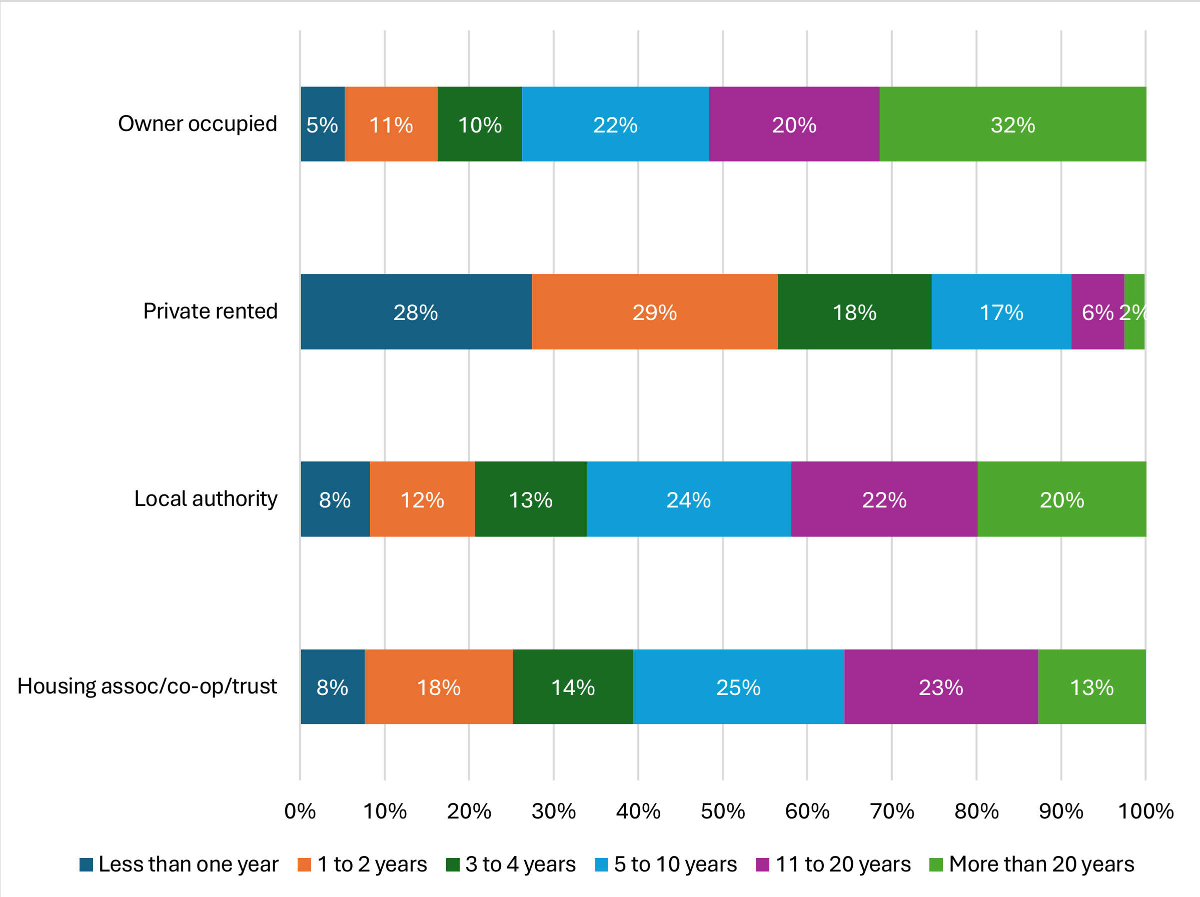
[43] https://www.housingregulator.gov.scot/landlord-performance/national-reports/national-reports-on-the-scottish-social-housing-charter/national-report-on-the-scottish-social-housing-charter-2024-2025/
[44] https://www.citylets.co.uk/research/reports/property-rental-report-scotland-2025-q2/
[45] Indicative only due to differences in data collection methods and underlying assumptions.
[46] https://calvay.org.uk/data/Completed_Annual_Report_2024_2025_2025_10_27_11_53_31_040.pdf

Shettleston Housing Association, on the other hand, issued '*£8k of fuel bank vouchers*' to tenants and worked with a '*specialist architect*' to '*improve the specification for window and door replacements, to improve energy efficiency.*'[47]

Beyond these interesting examples, many associations undertake significant retrofit programs designed to improve stock quality and minimise energy costs.

The SHS provides some context regarding the stability of tenancies in the sector, which can have implications for employment stability (as well as educational benefits for children). Specifically, the data shows that housing association tenants have average lengths of tenancy far in advance of the PRS (Figure 5.23).

Figure 5.23: Length of time at current address



Source: https://www.gov.scot/collections/scottish-household-survey-publications/#resultsofthe2024survey (Table 1_19)

Performance reports point to associations taking direct action to support the stability of tenancies. Ore Valley Housing Association, for example, reports that 100% of its '*existing tenants sustained their tenancy*' and that '*94.1% of homeless applicants remained in their homes*' during the last reporting period[48]. The Scottish Housing Regulator reports that, on average, 92% of new tenancies were sustained for more than a year[49]. While tenancy sustainment has a number of strands, in this example, Ore valley had focused on diligent arrears management, utilising '*proactive engagement*' and '*targeted interventions*'. More specifically, key initiatives are listed as:

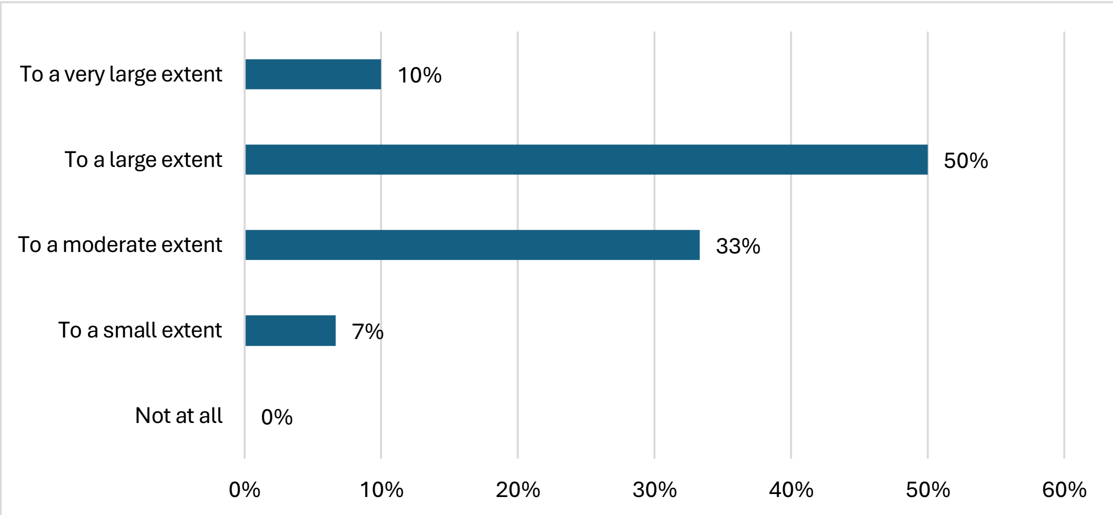
[47] https://www.shettleston.co.uk/cat_doc/annual-performance-report/
[48] https://www.orevalleyha.org.uk/uploaded/portal/secure_files/annual_report_202425.pdf
[49] https://www.housingregulator.gov.scot/landlord-performance/statistical-information/

- *Early Support and Engagement: Our housing officers have focused on early contact with tenants at risk of falling into arrears, offering tailored support and signposting to tenancy support and the Big IDEA Project.*
- *Partnership Working: We have strengthened partnerships with Cosy Kingdom, The Fuel Bank Foundation and HACT as well as local foodbanks Tenant Education: One-to-one sessions*
- *Universal Credit migration budgeting and financial planning delivered through the Big IDEA Project have helped tenants build resilience and confidence in managing their finances.*

To reduce financial precarity, but also support stable tenancies, associations expended significant resources on financial inclusion. The evidence for this, and the range of activities undertaken is expansive. However, by way of example, Prospect Housing Association's in-house Welfare Rights Officer helped 208 tenants with benefits advice and support and secured tenants an additional income of £1.4m in the last reporting period[50]. Trust Housing Association secured £4m in welfare benefits, allocated hardship funds of 70k[51] and reported an average financial gain per welfare rights appointment of £3,300.90. A further example of this type of approach is provided in Figure 5.25. Other than benefits advice, associations also help tenants more directly, through hardship and community funds, which provide everything from school uniforms[52] to white goods[53]. Despite these varied efforts, and highlighting the extent of the challenge, the SHS finds that 21% of social tenants[54] were not 'managing well' financially, against 12% in the PRS and 3% in owner occupation[55].

The survey asked respondents to what extent they considered that their organisation's housing provision supported the improvement of household financial stability. Three fifths (60%) reported a large or very large impact (Figure 5.24). Respondents were also asked to what extent their organisation contributed to reducing income inequality and financial hardship. 3% reported to a small extent, 30% to a moderate extent, 40% to a large extent, and 27% to a very large extent.

Figure 5.24: Extent to which organisations housing provision supports the improvement of household financial stability.



(n=30)

[50] https://www.prospectch.org.uk/assets/000/001/142/Item_13_Prospect_Performance_Report_2024-25_original.pdf?1777974107
[51] https://www.trustha.org.uk/media/mdbb22eh/annual-performance-review-2024-25.pdf
[52] https://barrheadha.org/wp-content/uploads/2025/09/Performance-Report-2024-25-3.pdf
[53] https://www.orevalleyha.org.uk/uploaded/portal/secure_files/annual_report_202425.pdf
[54] Note: all social tenants, not just housing associations
[55] https://www.gov.scot/collections/scottish-household-survey-publications/#resultsofthe2024survey (Table 5)

Figure 5.25: Household Stability and Financial Security Snapshot

Interventions to Support Financial Security	Govanhill HOUSING ASSOCIATION
The economic issue Financial insecurity can lead to rent arrears, placing tenancies at risk of failure leading wider household instability and economic hardship. Households with previous experience of homelessness and new migrants may be particularly at risk. **Govanhill's Solution** Govanhill Housing Association has developed an integrated approach to tenancy sustainment, which focuses on welfare rights, tenancy support and income maximisation services.	*'So, we've got a welfare rights team who meet with all our new tenants at sign-up stage and look at… what support they need in terms of their benefits.'* Jennifer Cairns (CEO) Govanhill Housing Association *'We continued to support tenants through the cost-of-living crisis, offering crisis grants, tenancy support, and education grants to support families with the cost of College and University. Our Welfare Rights Team helped generate over £5 million in financial gains for tenants.'* Keith Kintrea (Chairman) Govanhill Housing Association
The economic contribution By improving financial security, the association has stabilised households, helping tenants remain in their homes. During interview, participants highlighted the importance of stable housing in helping new migrants and people experiencing homelessness establish themselves, access benefits, obtain a permanent address and engage with employment support where relevant.	**Economic Evidence** Tenancy Support • 45 tenants helped to sustain tenancies • 91 people experiencing homelessness re-housed Welfare Rights • 1,374 new clients • 3,016 benefits cases opened • £5m+ in funds generated

Source: Interview and Govanhill Annual Report and Charter report via website[56]

This domain was not as richly debated during interviews, although where evidence did emerge, it largely aligned with insights from the other data sources explored. For example, one participant noted the importance of affordable rents in reducing household cost burdens:

> *'So, we fundamentally alleviate poverty by providing sub-market housing, which means people are spending less of their income on rent and more in their income on other things that make a wider impact on their well-being.'*

And another highlighted the role of tenancy sustainment officers in securing household financial security:

[56] https://www.govanhillha.org/data/annual_report_020925_2026_01_23_13_10_45_245.pdf, and https://www.govanhillha.org/data/Charter_Report_2024_2025_2025_10_29_11_51_13_225.pdf

> '*We also have tenants sustainment officers who help… people sustain their tenancies and we also have money advice officers. So…. We're trying to tackle a lot of these issues where people… need advice or help with their benefits….*'

5.8 Local Economic Circulation

Local economic circulation is essential for ensuring that economic activity generates wider benefits within local economies. Housing associations contribute through the local spending of employees, tenants and contractors, and through investment in homes and neighbourhoods that supports local economic activity.

While the AFS data provides data on total economic output as explored in Section 5.1, and capital spend in Section 5.2, the data is not granular enough to identify local economic spend. Section 5.3, offers some insights into the scale of association spend on SMEs, local contractors, suppliers and service providers, and finds that association generally attempt to '*buy locally'*. However, there is limited empirical data on the extent to which expenditure this retained and subsequently recirculated locally. Similarly, there is little data on the impacts of activities in the domain of household stability and financial security upon tenant spend and local circulation. Corporate reports provide some qualitative data, but little in the way of tangible impact analysis.

Evidence from a few subsidiary operations suggest an explicit focus on local economic circulation. For example, ng Homes setup ng2, a social enterprise that delivers environmental and facilities services[57]. ng2's business plan lays out a number of deliverables but states:

> '*Initially ng2 was set up as part of ng homes regeneration focus, by establishing a social enterprise locally the association was able to meet twin goals of supporting employability locally and thereby ensuring more money was circulating in the local economy…*'[58]

Similarly, Whiteinch and Scotstoun Housing Association created WS Estate Services Ltd, to deliver a variety of estate services. What is notable is that in the last reporting period, the subsidiary fed £53k in gift aid to the association for re-investment in '*community activities*'[59].

In a differing approach to supporting local economic circulation, Govanhill Housing Association setup the Govanhill Community Development Trust, whose '*business lies in the ownership and management of commercial workspaces located throughout Govanhill'*[60]*. More details on this approach can be found in Figure* 5.6*.*

In this domain, it is possible to turn to the literature to try and address the data gap. Specifically, a report by the Fraser of Allander Institute on behalf of Glasgow Housing Association (GHA) provides some sense of how GHA achieves economic circulation via direct, indirect and induced impacts. The scale of the GDP impact was substantial at £69m, £36m and £48m, respectively. However, it is the

[57] https://nghomes.net/ng2/
[58] https://nghomes.net/data/ng2_business_plan_2025_26_2025_10_21_14_15_30.pdf
[59] https://wsha.org.uk/data/WSHA_Annual_Report_2024_2025_2025_10_02_15_44_38.pdf
[60] https://www.govanhillha.org/data/2024_GhHA_Business_Plan_MC_Approved_Copy_16_June_2024_copy_2025_09_09_15_43_13_212.pdf

ratio that is particularly interesting. For every £1 of direct GDP impact, GHA generated a further £0.52 of indirect and £0.70 of induced impact, equivalent to £1.22 of additional economic activity for every £1 of direct impact. However, the data is now aged (2018) and the analysis is not geographically bounded to the local economy.

The interviews revealed that participants were keenly aware of the importance of local economic circulation and it interlinks with household stability and financial security:

> '*Local RSLs have got a key role… sustaining a good economic system and having accessible housing where it's affordable, so people have money left to spend in the local economy.*'

And some attempted to measure aspects of local economic circulation:

> '*One of the outcomes we measure is the total expenditure that we put out there using tenants' rents that is recycled in the local economy through services we're buying, contractors we use. So, it was over 80%. That's one of the measures that we show that… we're recycling that, we're investing in local stuff and sustaining jobs in the local area…*'

Participants also noted that subsidiary activities played a direct role local economic circulation through '*recycling the profits*' back into housing associations:

> '*So, we wanted to secure that service to our tenants [repairs and maintenance]. And we also have been and are still quite keen to think about how the money is flowing through the system. And we thought if we have a commercial subsidiary, all the profits will come into the housing association.*'

Figure 5.6: Local Economic Circulation Snapshot

Local Economic Recirculation Through Commercial Workspace

GCDT
GOVANHILL COMMUNITY DEVELOPMENT TRUST

The economic issue

Local economic circulation is predicated on retaining and recycling economic value, often through local businesses. However, setting up and sustaining a business can be challenging, in part due to the funding required and the high cost of premises.

Govanhill's Solution

Govanhill Community Development Trust (GCDT), a wholly owned subsidiary of Govanhill Housing Association owns and manages commercial workspace in Govanhill, with a portfolio of 32 office and workspace units leased as commercial business units. These are leveraged to attract employers to Govanhill and to support local people wishing to establish businesses and social enterprises. GCDT also offers assistance to make local connections, access funding, and help businesses grow.

The economic contribution

Through its commercial property assets, GCDT encourages local economic growth and circulation via the businesses and organisations it accommodates. Importantly, the profits generated through rents are redeployed to support community development initiatives, providing a mechanism to recycle the income back into the community.

Govanhill Community Development Trust
12 November 2025 ·

AVAILABLE NOW - Glasgow G42 8 (Govanhill)
- Workspace, office, coworking desks, storage space to rent
- Newly decorated & carpeted
- Rental package includes heating, car parking, 24-hour secure access
- Flexible lease terms to suit you
- Option to sub-let
- Support available from GCDT with networking & partnership opportunities, identifying & applying for funding, marketing
- Opportunity for discount

Contact Marie for further information/to arrange a viewing, mob 07741 893 008, email mmcbeth@govanhillha.org **See less**

Economic Evidence

- 32 offices and workspaces
- 100% occupancy in 2024/25
- Supports local business and organisations
- Profits recycled to support community development initiatives

Source: Interview, Govanhill CDT facebook and Govanhill HA website[61]

5.9 Economic Resilience (Counter-Cyclical Investment)

Economic resilience is essential for maintaining economic activity and supporting recovery during periods of economic uncertainty or downturn. Housing associations can contribute through their long-term investment horizons, continuing to invest in homes and maintain construction activity when wider market investment weakens.

While many associations have diverse income streams, operational funding is primarily via rents (paid via earned income and often welfare assistance) and primary development funding is

[61] Govanhill CDT Facebook , Govanhill HA Commerical Property website and Govanhill HA Approved business plan

underpinned by the Affordable Housing Supply Programme (AHSP) combined with asset backed private sector funding. On this basis, associations should be economically resilient organisations with the structural capacity required to undertake counter-cyclical investment. A brief examination of key measures in the AFS data[62] broadly supports this position with stable income, falling arrears, a reduction in bad debts, reduced gearing, and a lower debt burden all visible between 2020/21 and 2024/25, which was a period of considerable change in the economic environment, with interest rates, and costs rising due to the pandemic and the subsequent cost of living crisis (Table 5.6). However, importantly, the level of capital grants received fell substantially during the same period, linked to changes in the AHSP budget discussed earlier in the report. This illustrates clear external limits to the ability of associations to deliver counter-cyclical investment.

Table 5.6: AFS sector data

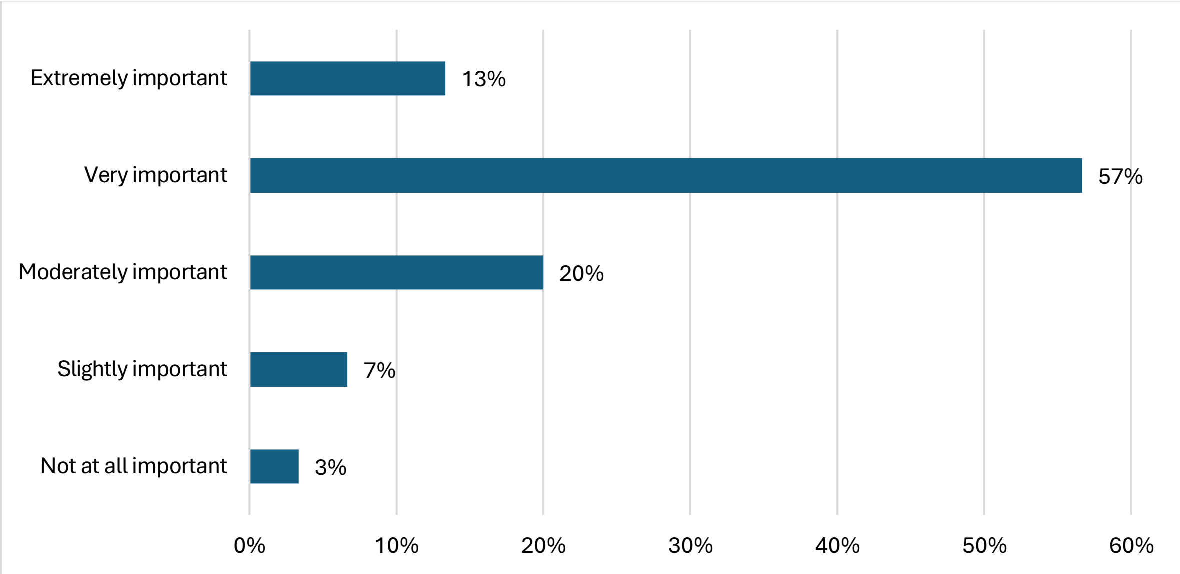
Metric	2020/21	2024/25
Rent receivable - General Needs Social Housing (Sector Total)	£1.22bn	£1.52bn
Ratios - Gearing (%) (Sector Average)	114	90
Ratios - Gross arrears (%) (Sector Average)	4.8	4.1
Ratios - Net arrears (%) (Sector Average)	2.5	2.0
Ratios - Bad debts (%) (Sector Average)	0.7	0.4
Ratios - Debt burden (Sector Average)	2.1	1.8
Housing loans due within one year (Sector Median)	£0.33m	£0.45m
Housing loans due after more than one year (Sector Median)	£7.53m	£8.76m
Capital Grants Received (Sector Total)	£456.1m	£328.1m

Source: https://www.housingregulator.gov.scot/landlord-performance/statistical-information/

The survey revealed that 70% of respondents believed that their organisation maintaining economic activity (e.g. through continued investment and development) was very important or extremely important during economic downturns (Figure 5.27).

[62] For all RSLs

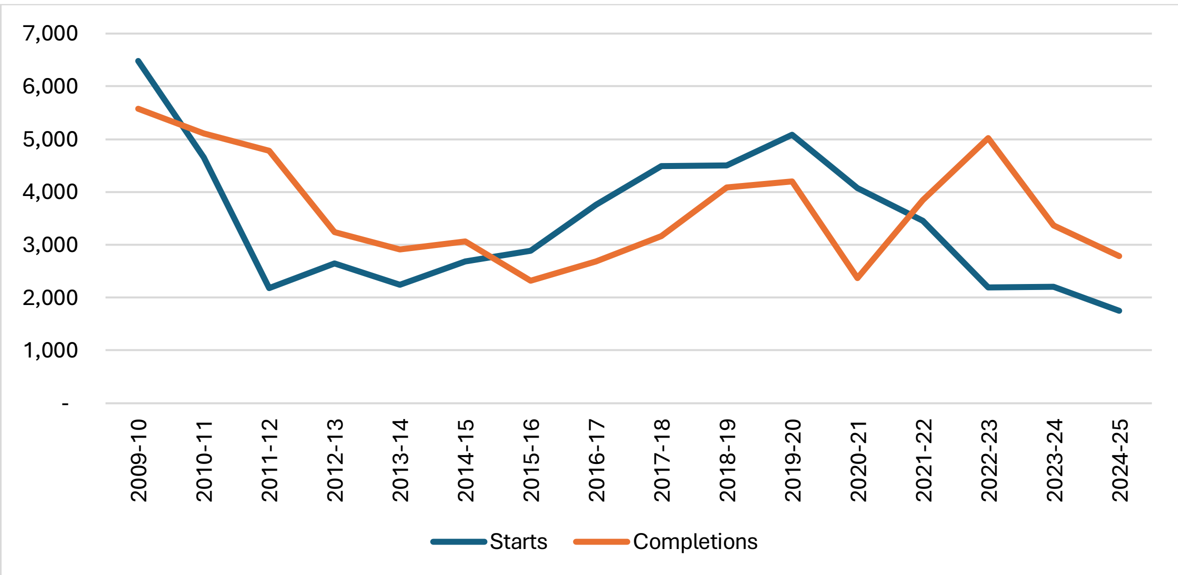
Figure 5.27: Importance of organisation in maintaining economic activity during economic downturns



(n=30)

Further data from the survey lends some weight here, with just under half of the sample (47%) completing a total of 534 new general needs social homes in 2024/25, and a handful also delivering a mix of 327 new supported, shared ownership, MMR, and other homes. Furthermore, the sample intend to build 5,424 homes across this mix between 2025/26 and 2030/31. This suggests that despite a relatively challenging economic environment, associations can still build, although this needs to be contrasted against a broader trend of falling starts and completions in the sector (Figure 5.28).

Figure 5.28 Housing association new build starts and completions



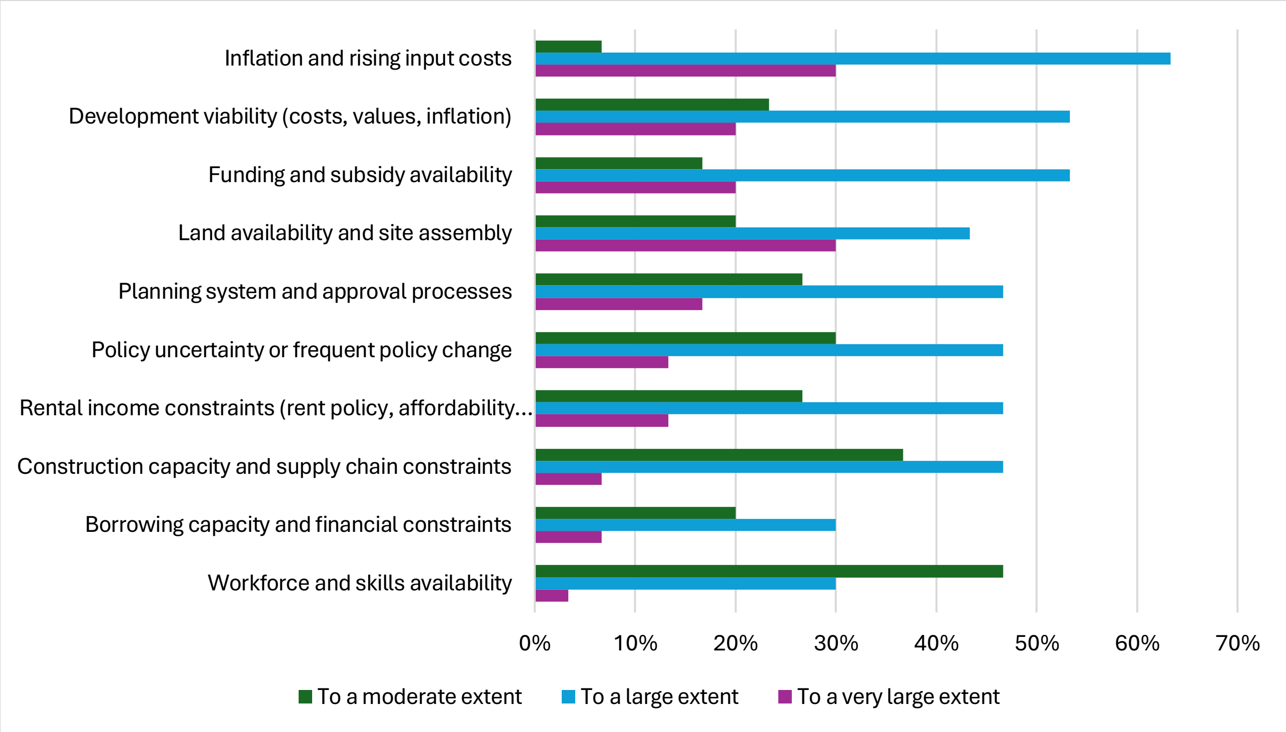
(n=30) Source: Scottish Government Quarterly Housing Statistics[63]

To gain additional insights into the ability of housing associations to invest counter-cyclically, the survey sought to understand the factors that constrain associations economic contribution. The

[63] https://www.gov.scot/publications/quarterly-housing-statistics-march-2026/documents/ (New House Building- Registered Social Landlords)

results, summarised in Figure 5.28 [64], highlight that while borrowing capacity and financial constraints, and regulatory and compliance requirements remain constraining factors for associations, they are of a lower order when compared to the remaining factors. More importantly, fully 92% of respondents pointed to the inflation and rising costs being large or very large factors, and 73% reported the same for both development viability, and funding and subsidy availability. These areas clearly constrain the ability of associations to act counter cyclically.

Figure 5.29: Extent to which key factors constrain housing associations economic contribution?



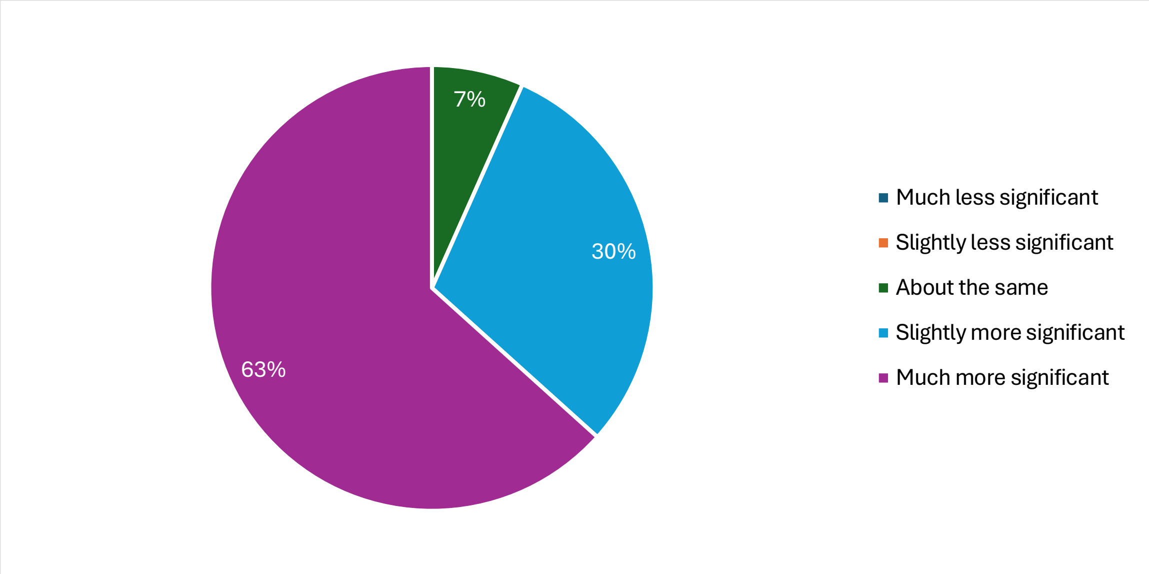
(n=30)

Respondents were given the opportunity to state additional constraining factors not included in the analysis above. Several were raised including '*organisational size*', '*geographical location*', '*geopolitical pressures*', funding '*distribution mechanisms*', the '*crowded public sector landscape*', and '*competing demands across other legal and regulatory requirements*', amongst others.

They were then asked if, compared to five years ago, these constraints had become more or less significant. Perhaps unsurprisingly, no respondent reported that they had become less significant, just 7% thought they were about the same, 30% thought they were slightly more significant, and 63% thought they were much more significant (Figure 5.30). Despite this, 63% of respondents also reported that their organisation had managed to slightly or significantly increase its economic contribution over the same period, likely via some of the activities captured in this report.

[64] Only three categories (to a moderate extent, to a large extent, and to a very large extent) are presented for visual clarity. A fuller figure showing the remaining categories (not at all and to a small extent) is available on request.

Figure 5.30: Compared to five years ago, have these constraints become more or less significant?



(n=30)

During interview, and as noted in previous domains, participants pointed to long-term investment plans both in terms of operating and capital expenditure that provided some evidence of counter-cyclical investment capability. Changing direction slightly, one respondent suggested that downturns, particularly in the housing market, had historically presented some opportunities for housing associations. For example, during the GFC:

> *'There were two plots of land… which [a national builder] Wimpey have bought… for 3,000,000 pounds. We bought them off [them] for 1,000,000 pounds each, so [they] decided to take the hit. Now, most distressed assets went to the banks who were now the security for all the developers who went bust. But some big developers decided, well, we'll just get out of here as fast and quick as we could. So, housing associations were able to continue building by getting land cheaper than otherwise.'*

However, in the status quo, it was highlighted that development costs were '*going through the roof*', pun intended, raising more general questions about the current state of domestic viability and hence the ability of associations to support counter-cyclical investment in this area.

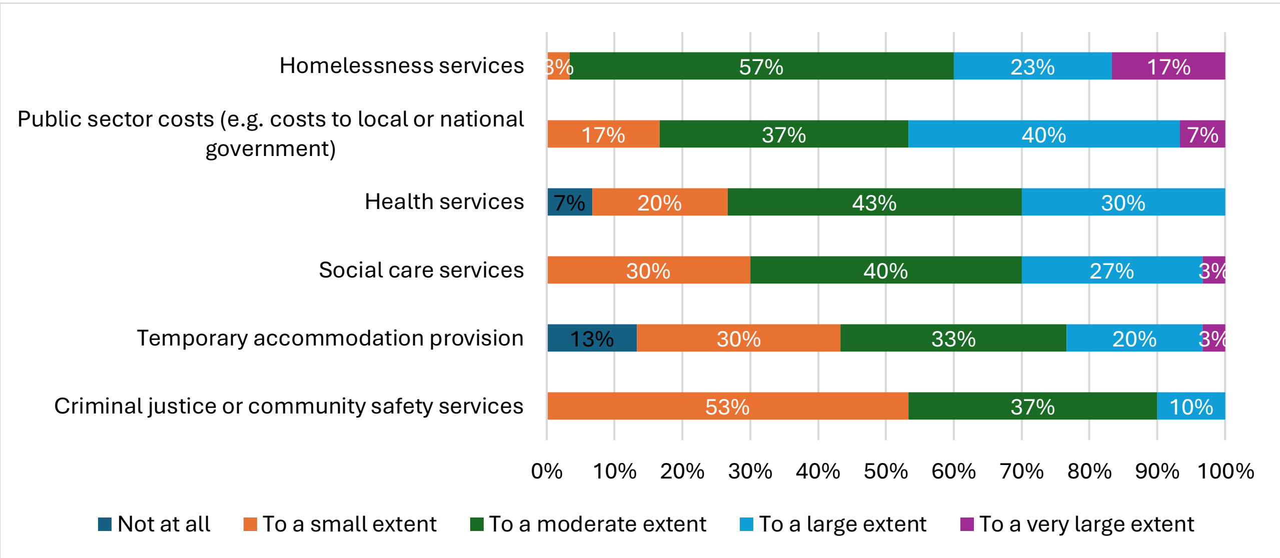
5.10 Public Sector Cost Avoidance

Public sector cost avoidance is essential for reducing pressure on public services and making effective use of public resources. Housing associations can contribute by preventing homelessness, improving health and wellbeing through good-quality housing, and reducing demand for temporary accommodation and other crisis services.

Neither AFS data nor official statistics offer material evidence to aid examination of this narrative domain. Many corporate reports do, however, discuss actions that may result in public sector cost avoidance. For example, ng Homes business plan states that it will play its part in '*reducing homelessness in the city*', work '*closely with Glasgow city council to house homeless people*' and has a KPI target of 45% homeless lets[65]. This approach is likely to lead to reduced demand for crisis services, for example, in relation to temporary accommodation costs. However, these savings are not always made explicit, at least publicly. Another example is Hanover, whose latest annual report states that the organisation '*undertook a large number of adaptations to homes to keep our tenants living independently at home*'[66]. However, in an earlier report they identified that a £1.4m investment in adaptations within sheltered and very sheltered housing properties across three housing associations (Bield, Hanover, and Trust Housing Associations), created around '*£5.3m in cost savings to the Scottish Government, and a further £3.1m in social and economic value for tenants*'[67]. This suggests that association activities can lead to significant cost avoidance in the public sector.

It is somewhat reasonable, therefore, that the survey found that respondents believed that their organisations' provision of housing reduced pressure on several public services. This was especially pronounced in relation to homelessness services, with 97% reporting that their activities reduced pressure to at least a moderate extent, including 40% to a large or very large extent (Figure 5.31). Respondents also reported that their organisations reduced pressure on health and social care services, with 73% and 70%, respectively, reporting impacts to at least a moderate extent. The scale of reported impact was lower for temporary accommodation and criminal justice or community safety services, although 87% and 100%, respectively, suggested that their organisations had some form of impact.

Figure 5.31: Extent to which organisation's housing provision reduces pressure on key services

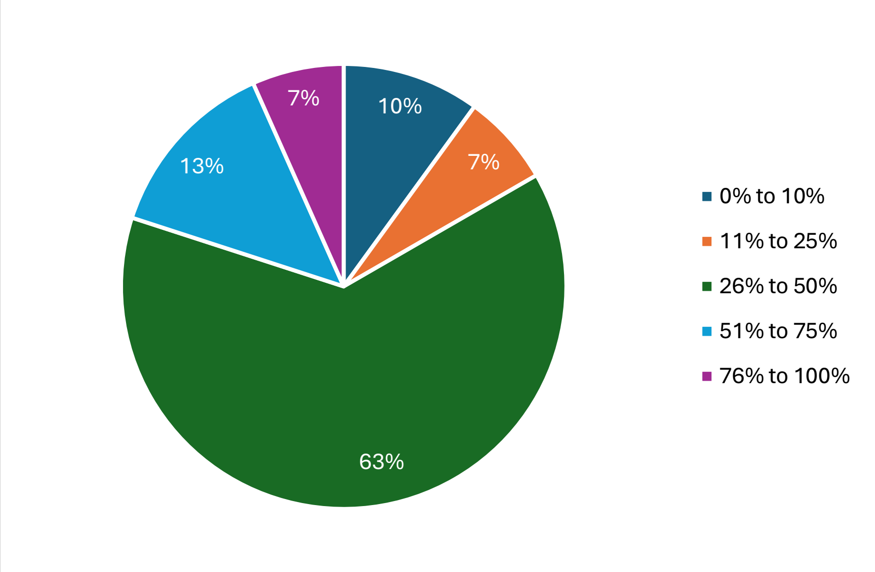


(n=30)

The strength of reporting in relation to reducing pressure on homelessness services is supported, to an extent, by respondent reports that relatively high proportions of lettings are to households who previously experienced homelessness (Figure 5.32).

[65] https://nghomes.net/data/Business_Plan_2025_2028_2025_07_10_12_24_11.pdf
[66] https://www.hanover.scot/wp-content/uploads/2025/10/ANNUAL-REPORT-202425.pdf
[67] https://www.hanover.scot/wp-content/uploads/2018/10/sroi_adaptations.pdf

Figure 5.7: Proportion of lettings to households previously experiencing homelessness



(n=30)

Echoing observations from corporate reports, some interview participants viewed adaptations as important in supporting public sector cost avoidance by allowing people to remain in their homes for longer:

> ‘*I mean, last year our [adaptations] budget was £900K and we spent that no problem, mainly on things that are associated with accessibility that would allow you to get care and support in your own home. So, a wet floor shower room, is like gold dust, isn't it? Because if you can stay at home and you can eat and you can sleep and you can wash and shower, these are the things that avoid you going into hospital. Because if you can't do any of those, you generally end up in residential or hospital care. So, we use a lot of our adaptations budgets of making sure that people are able to stay in that home as much as possible.*’

Linked to this, housing support also emerged as key to reducing pressure on public services, particularly with regards health and social care[68]. For example, one participant noted that they provide a ‘*really nice extra care housing service*’ to enable people to live independently, meaning that they ‘*don't now have to go into a nursing home or residential care home*’. Another highlighted their organisation’s role in supporting physical and mental wellbeing, which supported continued economic participation:

> ‘*We've been really focusing in on creating the right environment to have people stay active, whether that is socially active, physically active. And of course, the other big issue is economically active, because they're going out to the theatre nights, so they're buying theatre tickets, they're going on holidays with each other because they're a newfound community. They're going on day trips to the seaside, they're on public transport, they're buying takeaways and for their takeaway night, they're employing the local performers to come in and entertain them once a month on a Friday night with their guitar or their*

[68] Two reports by CaCHE provide further evidence in this area. See: https://housingevidence.ac.uk/wp-content/uploads/2024/02/Economic-benefits-of-housing-v6.pdf and https://housingevidence.ac.uk/wp-content/uploads/2025/09/Delivery-and-Funding-of-Housing-Support-in-Scotland.pdf

> *accordions or whatever it is. And we're just creating communities that are still doing all the things we all want to do in later life and not be sitting at home in splendid isolation and becoming mentally unwell because isolation and loneliness is such a big factor.'*

But also, the potential preventative role of housing support in reducing pressure on other services:

> '*And because they're part of a community, that community supports, now whether it's the staff that we have on site or whether it's their neighbour that they're now best friends with, spot when something is wrong or something's not right...We do a call round every morning… how are you doing this morning? Yep, okay. What if somebody doesn't answer the call? We're on it right away in terms of going round to see if they're okay and if we need to intervene. But generally, there are more far and more subtle signs of someone's decline or, you know, first early stages of dementia signs, and we can help signpost people to the right agencies to get them help because our local teams on site are so good at knowing how to contact the GP surgery, you know, whether it's a nurse or a chiropodist or whether they need to see a GP or get the pharmacist in. They are just these anchors in people's lives.'*

The Snapshot in Figure 5.33 describes how the services of one association (telecare services) can potentially reduce pressure on health services.

Figure 5.8: Public Sector Cost Avoidance Snapshot

Telecare Provision as Preventative Infrastructure

HANOVER SCOTLAND

The economic issue

Falls, health incidents and declining independence among older people can lead to hospital admissions, increased care needs and rising public expenditure. As Scotland's population ages, preventing avoidable crises becomes increasingly important.

Hanover's solution

Hanover provides telecare services (Hanover Connect) to around 20,000 customers across Scotland, operating a 24-hour service on behalf of housing associations and local authorities. The service enables rapid response to emergencies and helps older people remain safely in their own homes. The system also allows early detection and response to medical emergencies.

The economic contribution

Early intervention may reduce demand for more intensive health and social care services. The service also allows local authorities to benefit from economies of scale through outsourced provision. The service illustrates how housing-related organisations can contribute to preventative public spending rather than simply responding to crisis.

'If people can stay independent for longer, that's better for them, but it also reduces pressure elsewhere in the system.'

Angela Currie (CEO) Hanover Scotland

Evidence

- 20,000 telecare customers
- Services provided for multiple local authorities and housing associations
- Economies of scale achieved through centralised provision

Source: Interview, https://www.hanover.scot/what-we-provide/community-alarms/ and https://www.hanover.scot/wp-content/uploads/2025/10/ESG-Report-2024-25.pdf

Section C: Recommendations and Conclusions

6 Concluding Reflections On The Story So Far

6.1 So What? Dismal Observations from the Dismal Science?

Persevering readers would have gleaned from the introductory chapter that SFHA and others who argue for housing sector support will be addressing a Scottish Parliament and Government facing particularly hard fiscal times. Maintaining, let alone expanding expenditure support to combat the worsening housing polycrisis will require advocates with firmly based and hard argued cases for how better housing outcomes are central to Scotland's growth as well as fairness and sustainability issues. Government, for all its empathetic embrace of an 'emergency', three decades in the making, and still worsening, has not grasped the issues. In relation to the 'housing question' the only positive to be taken from the introduction is that government is not unsympathetic to 'housing', it just doesn't understand the system it manages anymore. The positive, is that armed with a better housing-economy narrative, SFHA, and others can work with the Scottish Government to shape gradually improving outcomes. So, a strong housing-economy narrative matter.

Chapters 2 and 3 also yield mixed messages. The ways in which housing associations can shift the distribution of real incomes, and wealth, and contribute to economic stability can be evidenced from Scottish research and data. However, since SCORE was scrapped by government over a decade ago, neither the sector nor the government systematically update the evidence.

In relation to housing growth effects, the, short term, gloomy message from Parts 2 and 3, is that whilst there is a scattering of credible econometric research on productivity effects of housing price and quality outcomes, this has not attracted the research funding attention of the Scottish Government nor, more surprisingly the ESRC's major Productivity Institute. There is enough evidence, set out in chapters 2 and 3, from macroeconomic and regional scale studies to highlight that housing outcome have productivity effects. That evidence has shifted neither research or policy decisions. At national, regional, and metropolitan scales economics is culpable for, usually, 'assuming away' real housing system effects.

This situation is beginning to change not just because the housing sectors recognise the lost productivities but because the business sector is increasingly aware of the negative economic effects of badly, remotely, and expensively housed workforces. Politics urgently needs to catch up with what producers think about housing outcomes. Similar remarks can be made in relation to recognising and modelling 'preventative spending effects' and, in line with recent Canadian experience, making major step changes in using critical evidence of large housing spillover effects to support housing and homelessness budgets with the savings arising from health, education and police expenditures.

The positive message is that a well-constructed economic narrative will command support from more than the traditional housing lobbies. And there is hope that mainstream economics, and the consultants that use the toolbox it develops, will strengthen macro/regional housing productivity research.

The strong positives revealed in this research are in Chapters 4 to 6 that reveal the often critical, and sometimes small, roles that associations play in the better economic functioning of poorer and declining, newer and thriving, urban and rural areas of Scotland. By highlighting the stability and growth effects of repeated, small, local actions it shouts out that the economic narrative for Scotland's housing association sector needs to be built from below.

The construction of that narrative, and its insights, have been neglected by Scottish policymakers and, indeed, by the sector itself. As Scotland moves forward in this difficult decade it should better understand, and value the ways in which associations recreate the connecting tissues between social and economic actions that shape development.

6.2 The What, the Where and the When: Implications of Chapters 4 and 5

Housing associations principally, and understandably, see housing through a social lens. This shapes what they do, how they do it and how they describe it. Across Scotland, associations provide an extraordinary range of support, from maximising household incomes and sustaining tenancies to providing care, improving employability, bringing communities together and so much more. These activities make a tangible difference to associations' tenants but also those living in the wider community.

In many regards, this focus makes organisational sense: happy, supported tenants and cohesive communities (no longer a negligible concern in 2020's Scotland) can reduce anti-social behaviour, integrate new Scots, avoid crisis interventions, improve tenancy sustainment, and reduce management pressures. The evidence suggests that associations are not neglectful of organisational efficiency though their work is rooted in social purposes with expressed goals such as reducing poverty, improving inclusion, and helping people and communities thrive.

Yet almost all of the activity that housing associations undertake has some form of economic consequence. All associations are becoming increasingly adept at diligently assessing and extolling their social outcomes, many are far less diligent and articulate with regards to their economic outcomes. Despite this, more than half did not measure or estimate their economic contribution, and among those who did, the vast majority noted that they did so only occasionally or when required for a specific project. Ironically, the most popular 'economic' measure adopted by associations pertained to social value or SROI assessment. Associations now recognise this ambiguity, and this makes many uncomfortable as they increasingly recognise that Scottish policy makers do not understand their economic contribution. This has to change with tightening public finances.

It is important to recognise that the missing economic narrative is not born of a lack of economic awareness. Survey and interview participants consisted of formidable well-rounded professionals who clearly understood their organisations' economic importance, considered it in strategic decision-making, and could provide compelling examples of how their organisations supported local and national economic activity, often in innovative and successful ways. In fact, when asked what would happen if housing association activity were significantly reduced, survey respondents articulated the potential loss with striking clarity: fewer jobs and homes, weakened supply chains, declining neighbourhoods, greater household insecurity, and mounting pressure on already stretched public services. The Scottish Parliament should take that message to heart.

Neither is it born of the belief that it is not important for associations to articulate their economic narrative, as 80% of survey respondents stated that it was very or extremely important.

This status quo therefore presents something of a conundrum. In effect, the sector does not need to be persuaded to make an economic contribution or have an economic story. However, individually many have not committed to the consistent measurement, articulation of their economic contribution as a coherent narrative. Neither government nor the regulator asks them to do so, so many just don't.

6.3 Key Components of the Bottom-Up Narrative

The empirical findings of this report have gone some way to surfacing the component parts of this narrative via the narrative framework. With regards to direct economic activity, associations are not peripheral charitable bodies but substantial economic organisations with £2.27bn in turnover, £1.80bn in operating costs and £579m in staff costs[69].

Through capital investment, the sector deploys significant public and private finances to create and sustain quality homes across Scotland. In doing so, they support multiple sector and subsectors relating to infrastructure provision, construction, maintenance and renewal. The supply chain effects are broad, with many RSLs deliberately choosing to support local business and SMEs, with real implications for local employment.

Associations deliver tangible place-based economic development through placemaking, community anchoring and regeneration, often working in partnership with local authorities, health bodies, community organisations and private-sector partners. However, the extent of engagement with, and access to, these external partners varies by association and geography. These activities physically change places and can increase the economic opportunities they present and the economic impacts they deliver.

In some cases, associations make considerable investments in the development of human capital and skills. They support the professional development of their own staff through investment in training and development initiatives. However, they go further, supporting employability initiatives within their tenant base and across the communities they serve, particularly via the development of skills and apprenticeships.

While the above initiatives help increase workforce participation, associations support labour market development more broadly by providing affordable housing for economically active tenants, including key workers. The provision of secure affordable housing across city regions, commuter belts and rural areas allows workers entry to established and emergent labour markets and helps employers recruit and retain workers.

The reduced cost burden associated with affordable housing, coupled with secure tenancies, positively contributes to housing stability and financial security. Associations also undertake a

[69] SFHA Population

further range of activities which seek to reduce cost burdens and financial precarity. These include the reduction of fuel costs through retrofit programs, tenancy sustainment programs, which seek to maximise tenant incomes, particularly with reference to benefits entitlements, amongst others. It should be noted that some of the activity in this domain, and others, reflects associations' growing role in filling gaps left by the retrenchment of local authorities, charities and other services. This can have the effect of shifting the costs of support from public budgets onto associations and, ultimately, their tenants.

Evidence from the other domains that associations have significant economic scale and endeavour to leverage that scale through local supply chains suggests that they play some role in local economic circulation. Specific examples were found in association subsidiaries whose diverse activities further support localised investment, growth and circulation in their local economies.

The AFS data suggest that associations have relatively stable income, declining sector-level arrears and bad debts, and reduced gearing. Coupled with long-term investment plans relating to development, capital spend and operating activities, this gives the sector some capacity to support economic resilience through counter-cyclical investment. There are of course constraints, particularly in relation to development viability (rising costs) and the vagaries of the Affordable Housing Supply Programme.

Finally, associations play a role in supporting public sector cost avoidance. For example, tenancy sustainment can prevent homelessness and allocations to homeless households can reduce homelessness and temporary accommodation pressures. In addition, care, adaptations, and telecare services provided by some associations may reduce or delay demand for more intensive services.

However, it should be recognised that the level of evidence in each domain is uneven and that the activities and impacts appear to vary according to associations' size, geography, organisational model, service offering and the needs of the places in which they operate. To this end Chapter 7 sets out the stages required to further develop the narrative.

7 The Economic Narrative For Associations: The Next Chapter

The local-national framework developed in this report has surfaced a compelling economic narrative for Scotland's housing association sector and provides enough empirical data to demonstrate that the story is real. However, the evidence remains fragmented and uneven meaning that a coordinated programme is required not only to further shape, test and substantiate the narrative, but also to ensure that it reaches those whose decisions affect the sector.

The recommended next steps are:

1. **Establish an SFHA-led working group-** Bring together housing associations committed to developing the narrative, appropriate expertise, including other housing sector groups, business, Regional Economic Partnership leaders, and research funders to agree and formalise the development of the narrative inquiry.
2. **Agree the structure of the narrative-** Using this report as a baseline, review and ratify the principal narrative domains.
3. **After step 2, invite high level government officials** to participate in a discussion of what they might regard as important (and why) and whether Departments, More Homes Scotland and the Scottish Funding Council might contribute.
4. **Agree the ownership and reporting architecture -** Determine which evidence should be collected and reported by individual associations, which should be aggregated and communicated by SFHA, and which impacts require central modelling by an appropriately qualified analytical partner. This should include agreement on whether the narrative is presented through a standalone economic report or incorporated into existing reporting structures.
5. **Develop the evidence base-** Identify a proportionate set of measures for each narrative domain, map the existing data against them and establish a programme to address the remaining gaps.
6. **Test and commence data collection-** Pilot the proposed measures with a diverse group of associations before wider adoption, refining the definitions, methods and collection requirements in response to practical experience.
7. **Share the story-** Identify who needs to hear the story e.g. policymakers, funders, lenders, regulators, local authorities, partners, tenants, and communities and how to share it e.g. briefings, infographics, reports, workshops, media activity etc.
8. **Review and refine the approach-** Regularly update the evidence, assess whether the narrative is improving understanding or influencing decisions, and adapt the framework as the evidence and operating environment develop.

NEVER GIVE UP.

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9 Appendix 1

9.1 Methodology

The project followed a mixed methods design, to ensure we captured a wide range of data, experience and perspectives by incorporating a detailed online survey, semi-structured interviews, secondary data analysis and documentary review stages. A methodological framework was created to help map the data required for each narrative domain to a specific data source, method, or methods to ensure broad alignment between the research brief and the research design.

9.1.1 Online Survey

The online survey was designed to capture data relating to the strategic, financial and operational activities of RSLs, along with evidence of their economic impact at local and national levels. The survey, which was created and hosted in an online system, consisted of 63 questions, and was estimated to take around 30 minutes to complete.

Following an internal piloting exercise, the SFHA issued the survey link directly to the CEOs of its members via email. A marketing plan was created to maximise response rates. Plan actions included the deployment of regular reminders issued by both the SFHA and members of the research team, the creation and issue of a project update video[70], and the subsequent delivery of an online project presentation and workshop at an SFHA conference[71].

On completion, the survey data was downloaded, cleansed and transferred to statistical software for analysis.

9.1.1.1 Survey Response Rate

The survey population constituted SFHA's 133[72] housing association and housing co-operative members[73], and it is against this number that the survey response rate is calculated. It should be noted that, at the time of writing, there were 136[74] registrations on the Scottish Housing Regulator's Register of Social Landlords[75], indicating that SFHA membership is broadly representative of the Scottish RSL population. Our analysis focuses on the SFHA population and survey populations unless stated otherwise.

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[70] Source: https://www.sfha.co.uk/our-work/duncan-maclennan-economic-impact-research-survey-reminder-deadline-3-july

[71] Source: https://www.sfha.co.uk/our-work/update-economic-narrative-research-duncan-maclennan

[72] Source: https://www.sfha.co.uk/sites/default/files/2025-10/pdf-road-to-2026%2C-delivering-the-social-homes-we-need.pdf

[73] Note: The website details 129 listings. The difference appears to be partially explained by some brands having multiple registrations, e.g., Wheatley Homes East Limited and Wheatley Homes Glasgow Limited, although this requires clarification. Note: One member has subsequently de-registered i.e. Ancho is now part of Cairn Housing Association but has been included to align with AFS data for 2024/25

[74] https://www.housingregulator.gov.scot/register-of-social-landlords/

[75] Note: The AFS provides records for 138 organisations in 2024/25, whereas 136 registrations were recorded on the Register as at 9 July 2026.

The survey was launched on the 7th of May 2026. The survey closed on the 7th of July 2026, a month longer than anticipated, after an extension in order to give associations the maximum chance to respond. In total, 59 members accessed the survey and identified their organisations name, equivalent to 44% of the membership. Participant attrition occurred gradually throughout the survey, with notable peaks around more demanding questions (e.g. financial information, procurement, stock breakdowns). Where respondents had completed 50% or more of the survey before abandonment, they were offered the opportunity to complete outstanding sections via hard copy. Where respondents agreed, the resultant data was manually processed by the research team. At the point of survey closure there were 30 complete responses, equivalent to a completion rate of 22.6%. Partial completions were excluded from the analysis.

The maximum margin of error was calculated at the 90% confidence level using the standard formula for proportions, assuming maximum variance (p=0.5) and applying a finite population correction (F%) based on the survey population. This results in a maximum margin of error of ±13.26%. However, as with any survey, the results should be interpreted with some caution given the modest sample size. While this provides an indication of sampling uncertainty, the section that follows analyses the characteristics of the sample to assess its representativeness relative to the survey population.

9.1.1.2 Sample Characteristics

The characteristics of the sample were compared with the known characteristics of the population extracted from AFS data[76] as summarised in Table 9.1. A very close match was found between the organisational type, the median turnover and the median number of units managed in both the sample and the population. However, with regards settlement type, there is a slight skew towards mixed provision (23% vs. 14%) at the expense of urban provision (73% vs. 83%), a modest difference in geographical scale (e.g., 13% vs. 8% operate nationally) and a shortfall in coverage in relation to head office location i.e. the organisations in the sample were located in 13 out of 32 local authority areas against 31 out of 32 for the population. However, further investigation revealed that the sample organisations operated in all 32 local authorities' areas providing some reassurance regarding geographical coverage. The sample also includes a slightly higher proportion of supported housing provision (13% vs. 7%) than the population although the majority in both remains in general provision.

Despite these small differences, the sample offers a broadly representative cross-section of SFHA's membership base across key measures. As such, the data was not weighted for analysis.

Table 9.1: Population vs. sample characteristics

Organisational Type	Population	Sample
Registered Society - Charitable - General	81%	83%
Registered Society - Charitable - Community Based	9%	10%
Registered Society - Charitable - Fully Mutual Co-operative	2%	0%

[76] See: https://www.housingregulator.gov.scot/landlord-performance/statistical-information/

Registered Society - Non-charitable - Fully Mutual Co-operative	2%	3%
Company Ltd by Guarantee - Charitable	5%	3%
Company Ltd by Guarantee - Non-charitable	1%	0%
Geographical Scale		
National Operator	8%	13%
Sub-national Operator	92%	87%
Clients Served		
General	89%	83%
Supported	7%	13%
Mixed	4%	3%
Settlement Type		
Mixed	14%	23%
Rural	3%	3%
Urban	83%	73%
Head Office Location		
No of Local Authority Areas	31	13
Turnover (£000s)		
Mean	17,049	17,434
Median	8,056	8,177
Total Number of Units Owned or Managed		
Mean	2,449	2,382
Median	1,305	1,328
Total Number of Units Owned or Managed (Banded)		
0-999	44%	40%
1000-4999	46%	53%
5000+	11%	7%

Population N=133 and Sample N=30

9.2 Semi-structured Interviews

A range of interview types were adopted. Three group interviews were initially used to obtain context and identify areas for further investigation. This was followed by a series of nine one-to-one interviews which were used to obtain information on specific domains.

Participating organisations included Hanover (Scotland) Housing Association Ltd, Govanhill Housing Association Ltd, Home in Scotland Ltd, Grampian Housing Association Ltd, Hebridean Housing Partnership Ltd, Harbour Homes Scotland Limited, Argyll Community Housing Association Ltd, Eildon Housing Association Ltd, Wheatley Housing Group Ltd, and Kingdom Housing Association Ltd. Participants were selected to provide a spread of views and opinions from across the population in terms of association location, scale and service provision. Participant selection was also pragmatic, based partially on participant availability.

Interviews took place either in person or via Teams and each lasted between 30 minutes and two hours. Each interview was recorded and transcribed. Transcripts were subsequently analysed for key themes against each narrative domain.

9.3 Secondary Data Analysis & Documentary Review

Secondary data analysis focused primarily on the annual Audited Financial Statement (AFS) data collected by the Scottish Housing Regulator from RSLs. However, where relevant, other sources, such as the Scottish Household Survey, were used. AFS data was prioritised over survey data where population-level coverage was available for specific domains. Survey data were used for verification purposes and presented where they extended, complemented or responded to a gap in the AFS data.

Documentary review spanned investigation of a sample of evidence in the public domain, including websites, corporate reports, statutory accounts, regulatory returns data, performance reports, ESG reports, and procurement reports, as well as case study and narrative evidence provided by RSLs participating in the online survey and interviews. Documents were selected from across SFHA members regardless of whether they had participated in the survey or interviews to draw evidence from a broad cross section of the population. Where possible, the researchers endeavoured to review a sample of around ten of each document type to capture the range of activities and practices undertaken by differing associations.

9.4 Limitations

The research sought to cover a lot of ground on a fixed budget within a fixed timescale. As a result, the survey and interview samples were necessarily constrained, and the range of evidence that could be reviewed was limited. The data available to the project was expansive, and it is inevitable that some relevant evidence may have been excluded or overlooked. Regardless of these limitations it is believed that the research takes an important first step in the process of surfacing the wider economic narrative of the SFHA members and the sector in general.

For further information:

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