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BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE



EVALUATION PERSPECTIVES

Holistic evaluation of housing projects and the 2030 Agenda for Sustainable Development: Some lessons from the field

December 2020

Holistic evaluation of housing projects and the 2030 Agenda for Sustainable Development: Some lessons from the field

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ISSN 2710-0081 (print)
ISSN 2710-009X (online)

Evaluation Perspectives Series

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About "Evaluation Perspectives" and this publication

The "Evaluation Perspectives" series aims at disseminating knowledge and evidence-based learning on contemporary topics related to the Council of Europe Development Bank (CEB)'s social development mandate from an evaluation perspective. Publications under this series are products of the CEB's Office of Evaluation that may be of interest to the evaluation community as well as to policy makers, public and private sector practitioners, civil society organisations, and researchers in the field.

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It is printed in this form to communicate the result of an analytical work with the objective of fostering discussions on the topic.

The work was overseen by Elif Timur, Head of the CEB's Office of Evaluation.

Please cite this publication as:

Scanlon, K., Cuna, L. (2020). *Holistic evaluation of housing projects and the 2030 Agenda for Sustainable Development: Some lessons from the field*. Evaluation Perspectives Series, Council of Europe Development Bank, Paris, France. https://coebank.org/media/documents/EPS_Holistic_evaluation_housing_2021.pdf

Acknowledgements

The authors gratefully acknowledge the invaluable support and feedback received from colleagues and the evaluation community at large. Special gratitude is expressed to Christine Whitehead, Emeritus Professor of Housing Economics at LSE and independent reviewer of several CEB evaluations, for her support in understanding the complex range of factors affecting the evaluation of housing operations.

Layout and editing

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Credits
Cover: Detail of "La cittá ideale", attributed to Piero della Francesca

Executive Summary

Evaluation Perspectives is a Council of Europe Development Bank (CEB) publication series prepared by the CEB's Office of Evaluation (EVO) aimed at disseminating knowledge and evidence-based learning on contemporary topics related to the CEB's social development mandate from an evaluation perspective.

The first issue of the series is dedicated to the theme of housing. Access to housing remains a critical societal issue in many CEB member countries due to a variety of factors including a growing urban population, surging housing prices and urban transformation trends which exacerbate social inequalities. The 2030 Agenda and the 17 Sustainable Development Goals (SDGs) adopted by the United Nations (UN) in September 2015 both address housing: SDG 11 is aimed at creating inclusive and sustainable cities and communities, and defines "access for all to adequate, safe and affordable housing" as a core target.

The financing of housing for lower income and vulnerable groups has been a distinguishing feature of the CEB's mandate since the Bank's inception in 1956. The evaluations of CEB-financed social housing projects, including a multi-year evaluation cycle completed in 2019 focusing on housing for vulnerable groups, brought to light a number of valuable lessons which, if considered in the design of future projects, may enhance the social impact of housing operations.

The evaluation of housing projects has traditionally focused on built structures by measuring results and success in terms of number of dwellings built or construction quality and cost-effectiveness. Housing is in fact part of a broader and complex urban setting where housing investments always have major effects that go beyond the physical investment itself, as demonstrated by the series of evaluations undertaken by EVO. One criterion used by EVO for these evaluations is "the continued and voluntary habitation by the beneficiary population in the housing provided by the project, under safe, affordable and adequate conditions", which is fully aligned with the first target of SDG 11.

This paper makes a case for a comprehensive, holistic evaluation of housing projects that goes beyond the physical intervention. This holistic evaluation is based on a three-level approach. The first-level assessment relates to the physical fabric of the dwellings. Second-level results encompass the direct and indirect effects of housing on beneficiaries, such as the impact on their health, household finances, employment or education. Beyond the effects on the beneficiaries themselves, housing projects often have third-level impacts on the surrounding neighbourhoods, the wider economic and social fabric or the natural environment. Such third-level effects do not necessarily materialise in the short or medium run and may appear in the longer term.

Moreover, the effects are not always positive; some of them are predictable while others are not. Some are intentional, but these may be outweighed – positively or negatively – by unintended impacts. Understanding this complex range of effects is necessary in order for housing investments to be sustainable from a human, social, environmental and institutional point of view.

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Introduction

Across the globe, national and local governments invest enormous resources in building or improving homes for low-income households. This is in line with the spirit of the 2030 Agenda and the 17 SDGs, where housing is a core element of SDG 11: "Make cities inclusive, safe, resilient and sustainable". Evaluation of the resulting housing projects has traditionally focused on built structures, but housing is part of a complex urban system and these investments always have effects – not all intentional – well beyond the built environment. This paper makes a case for a comprehensive, holistic ex-post evaluation of housing projects.

Drawing on elements of complexity theory and on a series of evaluations of the CEB loans aimed at improving housing conditions for vulnerable groups, the paper proposes a three-level approach: a first-level assessment dealing with the basic technical features of the housing; a second-level assessment that looks at the effects on the direct beneficiaries; and a third-level assessment that captures broader social, human, governance, environmental, and economic changes. This framework can not only be used as a basis for evaluation, but it can also inform the initial design and planning of housing interventions, which should clearly spell out the expected benefits for the direct beneficiaries and identify other domains where changes might reasonably be anticipated.

1 Good housing: the evolution of an idea

The notion of good housing has evolved markedly over time. In many countries, the fight for good housing began as a response to the filth and overcrowding of 19th-century industrial slums, whose conditions were memorably evoked by artists such as Charles Dickens and Gustave Doré. The focus of reformers' efforts was on upgrading the physical structure of homes to improve the health of inhabitants. Early priorities included better sanitation and the provision of running water, as well as simply building more housing to alleviate overcrowding. Subsequently, minimum standards were developed for installations such as toilets, kitchen facilities, electrical wiring, room sizes, etc.

In most industrialised countries, regulation now ensures that *new* housing at least meets minimum standards for physical quality. There are also regulatory and/or professional norms that apply to existing housing of whatever vintage. In the United Kingdom, for example, the government's Decent Homes Standard[1] for existing social housing covers thermal comfort, modern facilities, component renewals, and health and safety.

In Europe, physical renewal and construction of new social housing reached its peak in the 1960s and early 1970s, with the widespread construction of large single-tenure social housing estates in many cities. These modern dwellings were undeniably of much better quality than the overcrowded, poorly maintained, war-damaged housing they replaced. Even so, within just 30 or 40 years some of the estates were regarded as failures: the worst were stigmatised, poorly

[1] See Department for Communities and Local Government: London (2006)

maintained, and avoided by locals. As buildings, they may have succeeded (at least initially), but as homes they had failed.

Building on this experience, contemporary thinking emphasises mixed communities rather than single-tenure housing; good access to jobs, schools and other facilities rather than self-contained estates; resident empowerment and agency rather than top-down management. There is recognition that housing contributes to job opportunities, economic development, and community networks.

The right to adequate housing is now recognised in many national constitutions as well as in the 1948 Universal Declaration of Human Rights. Housing is one of the focal points of the sustainable development agenda adopted by the United Nations in 2015. However, while there are well-established techniques for assessing the *physical* quality of dwellings, systematic methods for evaluating housing investments' holistic contribution to the social and economic situation of residents and effects on their communities have only recently begun to emerge[2].Holistic evaluation must become the norm if housing investment is to make the best possible contribution to achieving sustainable development.

2 How this paper came about

This paper draws on a series of evaluations of CEB-financed housing projects aimed at promoting the social integration of certain low-income households[3]. The authors discussed and refined their thoughts between 2011 and 2019, participating and presenting together at conferences[4] and convening exchange sessions with housing experts and the broader evaluation community. The seven projects evaluated[5] by the CEB's Office of Evaluation which informed this paper targeted the housing needs of Roma (two projects), migrants (two projects) and those returning to their countries of origin after wars or political change (three projects).

[2] See for example: Bacon, N., Cochrane, D., Woodcraft, S. (2012)

[3] Summarised here: https://coebank.org/en/project-financing/evaluation/evaluation-cycles/housing-social-integration/

[4] This included several conferences of the European Network for Housing Research (ENHR), the ReShape conference on social housing policy promoted by the Free University of Bozen-Bolzano in 2017, the initiatives of the ENHR working group on Policy and Research including a working session with the Housing Agency of the Government of Ireland held in 2018, and a roundtable on Housing and Evaluation organised by the CEB's Office of Evaluation in the context of the biennial conference of the European Evaluation Society in 2018.

[5] See Council of Europe Development Bank - Evaluation Department (2012, 2013a, 2013b, 2014, 2015 and 2017). Executive summaries of these evaluations are published in the form of "Abstracts" on the CEB website.

3 Lenses for evaluation

Complex adaptive systems

Housing interventions can have effects on a number of personal, social and economic domains. Direct and intended effects are often accompanied by unanticipated outcomes – either positive or negative. This is inevitable because housing systems and urban settlements can both be considered *complex adaptive systems,* in which a perfect understanding of the individual parts does not necessarily allow us to understand how the system will behave as a whole.

These complex systems are the subject of systems theory, an interdisciplinary approach that analyses a problem within its system, looking at the surrounding elements that interact with the problem or are affected by it. Originally developed at the intersection of physics and social sciences, systems theory is now an emerging field of enquiry which can be applied to a range of areas including human health, international conflict or, as here, urban and housing systems.

According to one group of systems-theory scholars,

> *urban systems, including small, large, and mega-cities as well as urbanized regions, are classic examples of complex systems, exhibiting emergent properties, some of which can be difficult to explain, such as nonlinear dynamics, feedbacks, and high interconnectivity and unpredictability…. These and other complex behaviours make urban systems challenging to understand and, what is more, to govern, when seeking to improve resilience while transforming toward more sustainable development pathways and patterns*[6].

In a complex system, known factors can interact in unexpected ways, meaning that an intervention may produce unexpected outcomes. In addition, unknown factors may appear and condition the results of the intervention. Applied to housing investments, systems theory suggests that:

- small investments may have big effects and, conversely, big investments may not necessarily have much impact (nonlinear dynamics);
- individuals and groups adapt: investments may trigger changes in the behaviour of beneficiaries or other stakeholders that affect outcomes in unexpected ways (feedbacks, unpredictability);
- developments in apparently unrelated spheres may affect the success of affordable housing investments (high interconnectivity);
- conversely, affordable housing investments may cause significant (and often unforeseen) effects at some remove (feedbacks, interconnectivity).

These points have been confirmed in several evaluations undertaken by the CEB's Office of Evaluation: the expected benefits of individual investments were sometimes dwarfed by unintended consequences. This points to a central challenge for evaluators: how to assess the direct outcomes of investment and at the same time remain attentive to possible second- and third-order effects which are well outside the sphere of housing.

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[6] See McPhearson et al (2016)

Sustainable development

Any housing intervention undertaken by governments and NGOs should conform to the principles of the United Nations Sustainable Development Goals, approved in 2015 at the 70th session of the United Nations Global Assembly, known as the 2030 Agenda. This agenda requires countries to assess their policies in light of a number of sustainability considerations.

The SDGs acknowledge the web of complex linkages among the dimensions of individual and societal well-being. To be sustainable, development processes must therefore take explicit account of the relationships between the various constituents of development: economic, social, human and environmental. Complexity theory tells us that there are very often trade-offs: efforts to improve matters in one domain can make things worse in another. For this reason, moving towards truly sustainable development requires an integrated and long-term approach.

There are 17 SDGs in all. Housing is most directly related to SDG 11, whose objective is "*making cities and human settlements inclusive, safe, resilient and sustainable*". One of its targets is to ensure by 2030 "*access for all to adequate, safe and affordable housing and basic services and upgrade slums*". SDG 11 thus explicitly links access to housing with the objectives of improving the safety, inclusiveness, resilience and sustainability of cities and human settlements. The 2030 Agenda also underlines the connectivity and integration across the various development goals and dimensions. While housing relates most directly to SDG 11, it also affects several other development domains including the health, education, finances and employment of beneficiaries (captured under SDG1, SDG 3, SDG 4, for example) as well as broader societal, economic and environmental processes.

The SDGs were formally adopted in 2015, but policymakers and practitioners had for some time been incorporating broader sustainability considerations[7] into housing interventions, and researchers and evaluators had been thinking about how best to capture these wider concerns.

For example, in 2011 and 2012, researchers Nicola Bacon and Saffron Woodcraft, of Social Life and the University of Reading in England, published a standardised way of judging social sustainability[8] in new housing developments[9], which offers a way of thinking systematically and broadly about what good housing is. The work was sponsored by a major for-profit housing developer that wished to have a robust technique for evaluating its own schemes. The methodology can be used to assess new developments and allows for comparisons to be made between different schemes. Even more powerfully, it can be employed at design stage to inform key decisions about new housing.

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7 The term "sustainability" has traditionally been associated with environmental concerns, but in 1987 the Brundtland Commission on Sustainable Development identified three pillars of sustainable development: environmental, economic and social. The Commission's chair, former Norwegian Prime Minister Gro Harlem Brundtland, defined sustainable development as development that "*meets the needs of the present without compromising the ability of future generations to meet their own needs*". Sustainability is now used as a lens to examine all kinds of interventions. In the last 20 years, scholars in western countries have worked to adapt the concept of sustainability to various practical contexts and to widen it beyond its original sphere of environmental sustainability. One of the areas where it is now being applied is neighbourhoods and new housing.

8 The authors use the term "social sustainability", but the methodology is not limited to social effects; it also looks at the physical characteristics of buildings, their effects on the neighbourhood environment and how residents experience them as homes.

9 See detailed methodology in Bacon et al (2012)

Bacon and Woodcraft say that "quality of life" is another way of expressing the concept of social sustainability. They argue that the factors contributing to local quality of life can be categorised as physical and non-physical. Physical factors include decent and affordable housing, access to job opportunities, high quality public services, good quality and sustainable public realm, and good transport connections. Non-physical factors encompass safety, local social networks, social inclusion and spatial integration, cultural heritage, a sense of belonging and identity, and wellbeing[10]. However, their methodology pays little attention to tenure, affordability and access to housing, all of which are important elements in the assessment of social housing schemes.

4 Complexity and sustainability in housing evaluation

Three levels of assessment

To put the principles of complexity and sustainability into operation in the context of housing evaluation, interventions should be assessed at three levels.

First-level assessment

For housing investments, the first-level assessment relates to the physical fabric of the dwellings. Good physical performance of new or reconstructed homes is relatively straightforward to assess, though it is not necessarily straightforward to achieve. The analysis should look for the absence of structural deficiencies in the dwellings (leaking roofs, damp walls, damp foundations or floors, rotten window frames or floors, etc.). Compliance with applicable environmental norms and standards can also be included in the assessment in terms of thermal insulation, adoption of sustainable building techniques, energy efficiency, etc. First-level assessments can also look at the cost of construction or reconstruction and therefore at the value for money for the investor or lender. In the context of housing programmes explicitly aimed at ensuring "affordability", the cost of the homes to beneficiaries is also a key consideration, whether the cost is a mortgage payment or rent.

Evaluating the performance of housing programmes under a first-level assessment is generally unproblematic; it relies on quantitative indicators that can be checked against agreed standards or generally-accepted frameworks. First-level assessments often rely on quantitative measures; even so, evaluators must inevitably make value judgements about the standards or thresholds to apply in assessing final performance.

Housing interventions are not only about improvements to built structures: housing affects residents (beneficiaries) in ways that go beyond the physical. We cannot assume that these effects are always positive. Indeed, a move to a new home may rupture existing social networks or entail a longer journey to work with negative effects on work-life balance and social ties. Evaluations of these effects are more difficult to carry out, but are necessary in order to form a rounded picture of the significance of a given intervention and its contribution to wider development goals.

[10] See Bacon et al (2012)

Second-level assessment

Second-level results comprise the direct and indirect, intended and unintended effects experienced or recorded at the level of the beneficiaries of housing assistance. In the second-level assessment, goals are often less clear and measurement is more complex. Stakeholders may disagree about the standards for success or the relative importance of the dimensions that are likely to be affected by housing programmes, whether these consist of the construction of new homes or the rehabilitation of existing ones.

Second-level effects might be seen in one or all of the following areas:

- **Health.** Due to their housing conditions, households may be exposed to unsafe water, unsafe sanitation and lack of hygiene. Health risks may arise from exposure to dangerous materials (such as asbestos), polluted or unhealthy environments. The location and characteristics of the dwelling determine the exposure of the beneficiaries to health hazards (such as unsafe drinking water, inadequate heating and pollution). These factors may trigger further investments in renovation works. The location of new dwellings can affect (positively or negatively) beneficiaries' health, for instance by reducing health risks, improving access to healthcare services or to outdoor/indoor spaces in which to perform physical activity.

Evaluation Evidence Box 1 Housing improvements and beneficiary health

One of the projects evaluated by the CEB's Office of Evaluation was a housing and social development programme targeting Roma people in a Central Eastern European country[11]. The target population had been living in very poor-quality housing in segregated environments including slums, shanty towns and caves. People living in these areas were stigmatised and psychologically isolated. The project was thus motivated by social considerations aimed at improving the social inclusion of beneficiaries, as well as by public health concerns. The evaluation showed that, unfortunately, the authorities responsible for the project did not collect robust pre- and post-intervention health data at beneficiary level. This reduced the capacity of the evaluation to prove the effects of the CEB-financed operations. Anecdotal evidence nonetheless suggested that beneficiaries' health improved due to the improvement in their physical housing conditions.

- **Finances.** In housing programmes motivated by social considerations, the assumption is that the rent (or sale price) for new/renovated affordable housing will be accessible for target beneficiaries. Other housing-related costs should also be considered – e.g. utilities, property taxes, service charges, ground rents. These recurrent expenditures can have a significant effect on low-income household finances. Owner-occupied housing is both a consumption good and a financial asset: the homes can act as security for loans that could enable investments to take place, and their value can contribute to or substitute for pension income in older age.

[11] See Council of Europe Development Bank - Evaluation Department (2014)

Evaluation Evidence Box 2 Impacts on beneficiary household finances

In two projects evaluated by the CEB in Southwestern Europe[12], the intended beneficiaries could not easily afford the purchased housing. These projects financed mortgage loans to enable low-income foreign immigrants to buy their homes. Many of the beneficiary households were relatively recent arrivals and worked in low-paid, precarious jobs, often in the construction sector. The mortgage loans funded by the project were at high loan-to-value ratios (most above 80%), despite the beneficiaries' high-risk profile. The standard affordability ratio was applied to calculate whether the mortgage could be repaid by beneficiary households. Unfortunately, a few years after the projects began, the country experienced a deep recession. Beneficiary households saw their incomes fall dramatically. Many could no longer afford to make mortgage payments and a number of them lost their homes to repossession.

In another project located in Eastern Europe, affordability calculations took account of household income availability for rent payments only and did not include local high utility costs. The evaluation found that during protracted cold spells some beneficiary households could not sustain the required level of heating expenditure. In this case, the move to a new home led to an increase in housing-related expenditure, thus reducing beneficiary household disposable income[13].

- **Employment.** The location of homes affects access to employment opportunities and some dwellings may themselves incorporate workspace. Access to new housing may thus imply an improvement in the working conditions of individuals working from home (teleworking or engaged in flexible working arrangements) or those who use their house as a base for the delivery of services such as childcare.

Evaluation Evidence Box 3 New homes and employment prospects

The importance of the link between housing and access to employment emerged from the evaluation of one housing reconstruction and repossession project co-financed by the CEB[14], which responded to the destruction of homes and the displacement of hundreds of thousands of individuals caused by the wars in former Yugoslavia.

Some new homes were built in areas with declining populations and low levels of economic activity. The goal of the project was to facilitate the return of displaced populations and refugees. At the time of the evaluation, only 33.2% of the homes involved in the return programme were occupied by registered returnees. The lack of local job opportunities emerged as the determining factor to explain the large number of empty houses.

This project underlines the importance of aligning housing investments and territorial development, so that new homes are accompanied by access to employment. At micro level, housing projects located on the outskirts of towns should be provided with transportation to ensure connectivity with employment centres.

12 See Council of Europe Development Bank - Evaluation Department (2012) and (2013a)
13 Field notes from a CEB evaluation.
14 See Council of Europe Development Bank - Evaluation Department (2017)

Evaluation Evidence Box 4 Innovative vs standard dwellings

In 2000, the CEB co-financed a social housing programme aimed at low-income Roma people[15]. The original, innovative plan was to build 75 individual housing units that would incorporate space for workshops or other income-generating activities. This design option was however discarded as the municipality concerned could not access the required number of land parcels. Moreover, the idea that all beneficiary households could operate their own small business was regarded as over-optimistic. In the end, apartment buildings were constructed, as these were cheaper and considered to be more in line with the standards of the beneficiary population. Innovative solutions almost always involve an element of risk. Some will succeed and provide a model for others, but some will inevitably fail. In this case, the borrowers chose the "safe" option, so the evaluation was not able to assess the potential of the proposed innovative model.

- **Education**. Access to housing may determine the capacity of a household to undertake or access specific education opportunities. Some housing interventions form part of urban development programmes that include improved access to quality childcare and pre-primary education services, which might boost opportunities for very young children. For older children, adequate study space in the new home may contribute to educational attainment. Evaluations undertaken by the CEB's Office of Evaluation in the housing domain have attempted to uncover evidence of such linkages. Unfortunately, the general lack of data on the pre-intervention baseline (i.e. the educational performance or practices of children and young people involved in new housing programmes) meant no firm conclusions could be drawn.

- **Social and family networks.** Thoughtfully-designed new communities can foster social ties amongst residents (collaborative housing is particularly strong here), and new/better housing may alleviate overcrowding or better accommodate multi-generation households. On the other hand, a move to a new home far from existing networks may weaken or destroy social ties. This has an impact at the personal level, but also potentially disrupts existing social arrangements (related to childcare or eldercare, for example). From a social point of view, at beneficiary household level, there are important gender dimensions of housing that are often ignored. The location and design of homes can strongly shape the performance of social relations, childcare, food preparation and domestic duties, which in many societies are mainly the domain of women. These are intangible features that can play a crucial role in determining and defining the social success of a housing operation.

[15] See Council of Europe Development Bank - Evaluation Department (2015)

Evaluation Evidence Box 5 Overcrowding

Reduction of overcrowding was one of the objectives of a project co-financed by the CEB and addressed to low-income households in an Eastern European country[16]. The CEB evaluation found that, indeed, access to new housing could reduce overcrowding in the short term, but that complementary investments in other social domains (i.e. education, employment opportunities for women and social support tailored to low-income family needs) were required to make such changes sustainable in the medium and long terms.

- **Security and stability.** Living in an inadequate dwelling is one of the most visible forms of poverty. Low-income households such as residents of informal settlements or squatters can benefit from dedicated housing that enables them to access basic services and living conditions. Secure tenure, either as a tenant or an owner occupier, offers a strong psychological and financial foundation for beneficiary households. Providing access to housing (or to better housing) can improve beneficiaries' self-esteem and self-recognition and serves as an instrument of social empowerment for vulnerable or low-income categories. New and better housing can create opportunities to socialise, thus affecting the social capital as well as the physical and psychological health of beneficiaries. These dimensions should be featured in the results framework applied to housing operations, especially those that are targeted to vulnerable groups at risk of social exclusion.

Evaluation Evidence Box 6 Housing and self-esteem

When interviewed in the course of CEB evaluations, beneficiaries often underscore the importance of access to adequate and affordable housing solutions for young people. Decent housing is seen to support the independence and autonomy of newly formed households, and beneficiaries report improved self-esteem and social empowerment as they start "a new life" in their new homes. The CEB has supported projects aimed at reducing domestic overcrowding (with several generations of families sharing the same dwelling), including programmes targeting low-income Roma families. For some of these households, relocation from segregated settlements to integrated neighbourhoods had a high symbolic value, marking the start of a new life and allowing their social integration[17].

As these examples demonstrate, various contextual factors outside the scope of the housing intervention often shape the impact on beneficiaries. These factors include the value system around housing (social and cultural norms), income, livelihood, and the human and social capital of beneficiary households.

Third-level assessment

Beyond the effects on the beneficiaries themselves, investments can have third-level effects on surrounding neighbourhoods, institutions, cities, societies, economies, and natural resources. These may be positive or negative, intended or unintended. It is also important to remember that the context itself is never static: as complex adaptive systems, housing and urban systems change. The contextual factors interact with each other and with outside interventions in often unpredictable

[16] See Council of Europe Development Bank - Evaluation Department (2015)
[17] See Council of Europe Development Bank - Evaluation Department (2014)

ways. Third-level effects can materialise in the short, medium or long run. Some of them can be anticipated, but others are unforeseeable when the housing intervention is planned.

- **Social and neighbourhood effects.** The CEB-financed operations evaluated in this cycle were all aimed in one way or another at fostering the social integration of defined population groups, such as low-income households, Roma, returnees, displaced households and migrants. Affordable-housing interventions can have important effects on the composition of neighbourhoods – both the "destination" neighbourhoods (where the new homes are built) and the beneficiaries' original neighbourhoods, if they are different – in terms of demographic, social or economic composition. The details of housing interventions determine who the beneficiaries are, where the homes are located, and the design of the homes themselves. The existing social, income or ethnic mix has implications for community cohesion and social identity. Negative effects may be visible in terms of increased segregation (social, economic, ethnic), in both the original and departing neighbourhoods. Neighbourhood social effects are shaped by the composition and attitudes of existing communities, and by the strength and type of local institutions and groups. The evaluation process can help shed light on these social dynamics and explore their effects on the beneficiary population.

Evaluation Evidence Box 7 Housing quality and social integration of stigmatised minorities

Some housing assistance operations explicitly aim to disrupt existing patterns of social segregation. This was the objective of one CEB-financed project targeted to low-income Roma families living in segregated settlements[18]. This objective, while extremely relevant from a social and human development point of view, was however ultimately not achieved. Evaluators flagged the success of the project in terms of the provision of housing assistance. They nonetheless concluded that a more structured (and better financed) combination of housing assistance and other forms of social support directed to both the beneficiary population and the host community could have produced a better outcome.

- **Effects on the economy**. The effects of new housing investments on the economy will depend on the business / economic structure at local and national levels, and on taxation and other elements of economic policy. Housing investors make decisions about whether to build new homes or refurbish existing ones, about who should carry out the work and what techniques and materials they should use, and about whether to require contractors to train or employ local labour. Housing investment has an impact on the productive side of the economy through the construction process itself and the associated demand for construction materials and consumer goods. The expansion of neighbourhoods and changes in the demographic and social profile of inhabitants may trigger economic shifts such as changes in the type of local businesses. And housing interventions can also affect the value of neighbouring real estate.

[18] See Council of Europe Development Bank - Evaluation Department (2014)

- **Wider urban effects.** Housing investment can bring about a visible transformation in cities and neighbourhoods, which may catalyse other improvements. Decisions made about the location and design of new/refurbished affordable homes affect demand for public transport and roads, and for local facilities such as shops, schools and medical services. Sizeable schemes can place stress on other infrastructure such as water, sewers, gas, electrical networks and broadband. The external design and concentration of homes contribute to (or sometimes detract from) the neighbourhood streetscape, and their technical standards (heating and insulation) affect energy use and sustainability. Depending on the location of the dwellings, the size of the population involved and the structure of the supporting road infrastructure, new housing construction may generate traffic congestion or overcrowding on other local services.

- **Effects on natural resources and the environment.** Some housing investments are specifically aimed at improving energy efficiency or reducing household energy consumption, which may have a small but significant effect on overall demand for energy. New homes may be designed to use water sparingly and ensure sustainable withdrawals.

- **Institutional effects**. Interventions in the housing domain may bring about changes in local institutions and governance systems. The experience gained by the CEB in this domain has shown that some of the financed social housing projects have promoted the establishment of local and national institutions; they also contributed to strengthening the management skills of existing institutions responsible for the planning, design, implementation and control of the construction and delivery processes.

Evaluating sustainability: the approach adopted by EVO

In the evaluation world, the term "sustainability" can have two meanings. The first, which is implicit in the term Sustainable Development Goal, refers to the systemic impacts of an intervention at neighbourhood, national or global level. The second, more limited meaning, is about how long the benefits of a specific intervention can be expected to endure.

Sustainability was initially often defined, in the evaluation discipline, as "*the continuation of benefits from a development intervention after major development assistance has been completed,"* thus implying that sustainability meant "*the probability of continued long-term benefits"* and *"the resilience to risk of the net benefit flows over time"* [19] .This definition was however considered to be too "donor-centric" and focused on external funding conditions. In its latest revision of evaluation criteria, the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) put forward a more concise definition of "sustainability": "*the extent to which the net benefits of the intervention continue, or are likely to continue*". The OECD DAC recommended that the assessment of sustainability "*includes a comprehensive examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time*". This *"involves analyses of resilience, risks and potential trade-offs"* [20].

[19] See https://www.oecd.org/dac/evaluation/2754804.pdf
[20] See https://www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf

This novel approach is reflected in the operational definition of sustainability adopted by the CEB's Office of Evaluation for its evaluations of housing operations targeted to population groups at risk of social exclusion. Sustainability was defined by EVO as "***the continued and voluntary habitation by the beneficiary population in the housing provided by the project, under safe, affordable and adequate conditions.***" This definition encompasses both the continuation of benefits (access to housing), the sustained participation of beneficiary groups and the fulfilment of sustainable housing conditions as underscored under the first target of SDG 11 ("safe, affordable and adequate").

The thinking behind the various constituents of the above definition is explored below.

- **"Continued and voluntary habitation…"**. The notion of "continued habitation" responds to the fact that some of the housing programmes produced dwellings that, in the end, were abandoned or uninhabited. Empty subsidised dwellings can indicate a lack of real housing need or a failure to provide attractive housing options. Living in new housing should also be a "voluntary decision" by the households concerned.

- **"…by the beneficiary population…"** For an intervention to be considered sustainable, the targeted population should continue to benefit. This does not mean that individuals may never move out of the financed dwellings, but rather that there should be continuity in the population groups entitled to benefit from the project, particularly as their characteristics were often an important element of the justification for financing (for example, housing allocated to low-income households). Sustainability questions might thus be raised if, over the years, the eligibility and allocation criteria were to be removed or modified.

Evaluation Evidence Box 8 Housing availability and the voluntary return of displaced populations

The evaluation[21] of a programme aimed at promoting the return of a displaced population underlined the fact that the return of displaced populations must be voluntary. There was a ten-year ban on sale of the reconstructed homes, but the percentage of returnees living in the financed dwellings was rather low (approximately 30%). The programme was judged to be highly relevant and effective as it aimed at solving property rights issues, but the low degree of voluntary return reduced the assessed sustainability of the project.

Evaluation Evidence Box 9 Use by intended beneficiaries

The evaluators of one of the CEB-financed projects criticised the absence of any ban on resale of the dwellings financed. The project[22] did result in the construction and purchase of the planned number of dwellings, but, in the end, they were not lived in by the population group that the project aimed to help.

[21] See Council of Europe Development Bank - Evaluation Department (2017)
[22] See Council of Europe Development Bank - Evaluation Department (2013b)

- **"…under safe…"** Evaluations always contain a technical dimension to assess the physical quality of dwellings. Safety depends partly on the technical quality of construction, but that alone is not enough. All housing requires ongoing management and investment to preserve its quality in the long run. In the case of publicly owned housing rented to low-income households, funding this management and maintenance can be a challenge. Without it, there is a high risk of progressive dilapidation of the stock, but rents often do not cover the costs involved, so ongoing public investment can be required. This inevitably affects the stance of national and local authorities toward publicly-owned housing. A system that guarantees adequate management and maintenance of the public housing stock depends on political will.

- **"… affordable…"** Beneficiary households must be able to afford their dwellings, whether rented or purchased. This aligns with the second-level consideration of the financial effects on beneficiary households discussed above.

Evaluation Evidence Box 10 Relationship between low rents and arrears

Evaluations showed that low rents do not always prevent arrears. The homes built in one project[23] had very low rents compared to similar dwellings in the private rental sector. Even so, evaluators found that both rent arrears and vacancies in the scheme were increasing because beneficiary households had precarious financial situations and faced difficulty finding employment. Moreover, the local social welfare system did not provide them with the resources to cover rent payments.

Evaluation Evidence Box 11 Municipal attitudes to public housing

One of the projects evaluated[24] by the CEB funded new homes in several municipalities, but only a few of the local governments involved made a serious effort to use the housing stock constructed under the project as social housing. The prevailing attitude was to privatise the newly-provided dwellings as soon as legal conditions allowed. One of the main reasons was that social rents were insufficient to cover the management and maintenance of the housing stock. The municipal authorities had little incentive to maintain ownership of the social housing, since they lacked the human and financial resources to meet the requirements for the supervision, maintenance, management and security of the new homes.

- **"…and adequate conditions".** Adequate housing is defined[25] as meaning: adequate privacy, adequate space, adequate security, adequate lighting and ventilation, adequate basic infrastructure and adequate location with regard to work and basic facilities – all at a reasonable cost.

[23] See Council of Europe Development Bank - Evaluation Department (2015)
[24] See Council of Europe Development Bank - Evaluation Department (2014).
[25] United Nations Commission on Human Settlements in the Global Strategy for Shelter to the Year 2000.

Evaluation Evidence Box 12 Maintenance of dwellings

In another project evaluated[26] by the CEB, the district administration showed commitment to using the project's housing output to support the housing needs of the local vulnerable population. Nevertheless, due to the existing governance system and the limited amount of resources made available for maintenance, the dwellings showed visible signs of decay a few years after completion of the construction works. Lack of maintenance may prevent a housing programme from achieving the objective stated in SDG 11 of ensuring access to adequate and safe housing. In another project evaluated[27], a budget was initially made available to finance the maintenance of the state-owned properties allocated to beneficiary households. This subsidy was later discontinued and the rents collected proved insufficient to cover the costs of the required maintenance. The state discontinued maintenance and the condition of the properties deteriorated. In other projects, the responsibilities conferred upon the lowest tier of administration for housing stock maintenance were not matched by adequate funding.

A further dimension of adequateness is related to the social acceptance and backing of the intervention.

Evaluation Evidence Box 13 Social acceptance

In some municipalities involved in a CEB-financed project[28] aimed at the social reintegration of low-income Roma families, existing local inhabitants opposed the project's strategy and the idea of settling low-income Roma families in integrated areas. The difficulties encountered during project implementation were often used by opponents as proof that the project's strategy was erroneous. Some of the beneficiaries interviewed declared that they were living in an unsupportive social environment that did not allow any opportunity for social integration.

The definition of sustainability adopted by the CEB's Office of Evaluation for housing investment programmes captures many of the first- and second-level concerns discussed above. The notion of "adequate conditions" covers the first-level assessment of the physical fabric of dwellings as well as second-order considerations of location in relation to services and employment. The requirement for affordability aligns with the second-level assessment of the effects on household finances. This definition is in line with SDG 11's primary target of ensuring, by 2030, "*access for all to adequate, safe and affordable housing and basic services and upgrade slums*." Defining sustainability in this way may suggest that it is possible to fulfil all the conditions, all of the time.

In practice, however, there are often trade-offs. For example, this cycle of evaluation indicated that offering homes at very low rents was good for affordability but could, in the long term, have negative effects on safety. Publicly owned housing targeted to vulnerable groups requires significant investment in supervision, maintenance and management.

[26] See Council of Europe Development Bank - Evaluation Department (2015).
[27] See Council of Europe Development Bank - Evaluation Department (2017).
[28] See Council of Europe Development Bank - Evaluation Department (2014)

In general, given the low rents and weak enforcement of regulations, it proved difficult to establish sustainable housing models geared to low-income households while ensuring adequate maintenance of the housing stock by the owner and beneficiaries. Low maintenance standards undermine the sustainability of the investment and, in the long term, create safety and security risks for the inhabitants.

There are also often trade-offs between adequateness and affordability. In order to make dwellings more affordable, houses can be built in locations where land is cheap, but these areas tend to have poor accessibility to services and employment opportunities and are thus less suitable for sustainable living conditions. Building a few affordable homes on a well-connected urban site may cost more than building many homes on a distant extra-urban site, and can only satisfy a small group of eligible beneficiaries. Likewise, ultra-energy-efficient homes can often be unaffordable for lower income households because of their higher construction price.

5 The way ahead for planning and evaluation

This paper shows that housing investments constitute interventions in *complex adaptive systems*. With the endorsement of the SDGs and the progressive improvement in our understanding of the linkages between housing and other domains, the objectives of a given housing intervention cannot be limited to first-level objectives – i.e. producing structures at an agreed cost that meet applicable standards and are defect-free. Housing interventions are likely to cause changes across various domains, which we classified above as second- and third-level effects.

However, the further the effects are in the chain of results from the initial intervention, the more difficult it is to predict what will happen. There are likely to be trade-offs and unintended consequences, and positive changes in one domain may create negative repercussions on others. There is also often a trade-off between financing new housing in high-demand areas, and promoting more affordable housing solutions by investing in less-connected areas far from centres of social and economic interest.

In general, it might be difficult to reach consensus about the second- or third-level results: such goals depend on political and philosophical choices that are often not made explicit at the time of the design of a housing intervention[29]. Political leaders, beneficiaries and local neighbours may define "good housing" (or "good housing investment") in very different ways for various reasons, including differences in values and their degree of interest in the topic (actors may be selfless or deeply self-interested). The more aims there are for a project, the more likely it is that there will be tensions between them[30].

[29] A recent paper by the UK Collaborative Centre for Housing Evidence has underlined the strong interference of value judgements in the evaluation process, starting from the basic definition of "decent" or "affordable" housing. See Clapham, D., and Foye, C. (2019). *How should we evaluate housing outcomes?* The United Kingdom Collaborative Centre for Housing Evidence.

[30] Because of the competition among different evaluation frameworks, some authors have reached the conclusion that the definition of "success" of a given housing project is, almost inevitably, an "intensely value-based, political decision" (Clapham, D., and Foye, C., (2019).

Under CEB evaluations of housing interventions, sustainability is defined as the "*continued and voluntary habitation by the beneficiary population*" in the housing provided under a given project "*under safe, affordable and adequate conditions*". This paper has underlined that such sustainability is more likely to be achieved if we recognise that housing operations have broad effects on various domains, not only for beneficiaries but also for their households, neighbourhoods and societies.

Ideally, trade-offs should be recognised and understood when projects are being designed, not identified only in hindsight during the evaluation phase, as often happens. This may be difficult to achieve in practice[31]. Impacts may materialise in highly disparate domains (ranging from finances to education, as discussed earlier); moreover, changes in some domains may take time to emerge. For example, educational outcomes and trends in the urban fabric may only become evident in the medium to long run. Moreover, one of the features of complex adaptive systems is that not all trade-offs can be identified beforehand, and those responsible for designing operations cannot be held responsible for effects that are genuinely unforeseeable.

Nevertheless, some high-level effects *are* predictable, and one of the purposes of formal evaluation is to help sector experts and policy makers hone prediction skills for future projects or, as evidenced in this paper, to spell out the domains where changes, positive or negative, intended or unintended, can materialise. Project designers should thus consider devoting more resources to analytical preparatory work and to consultations with beneficiaries and key stakeholders in order to map the chain of results and identify likely tensions and trade-offs at an early stage. By accepting and acknowledging from the very beginning the existence of actual higher-level effects (and the potential tensions and trade-offs among said second- and third-level objectives), the goal of designing truly sustainable housing projects is more likely to be achieved[32]. This implies identifying the main social and development priorities and the ways to achieve them by making use of tools such as the "theory of change", which explains how the activities undertaken by an intervention can contribute to a chain of results.

In parallel, baseline data need to be collected around the variables and domains that are planned to be affected by the intervention or that constitute its main justification. Full understanding of the performance of a housing intervention relies on in-depth evaluations which need to be properly resourced and designed. Complexity can be understood only by looking back to study how and why some projects achieved unexpected success and – perhaps even more usefully – why some were disastrous failures.

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[31] In its summary of evaluations of housing programmes in the Caribbean, the Inter-American Development Bank (IDB) recognised that "*each housing intervention has trade-offs*" (IDB (2017), p.19) but said the bank did not "*analyse the trade-offs in terms of scope, scale, implementation constraints or potential impacts*" (p. 21) before making loans.

[32] This approach resonates with current thinking within the sector – e.g. IDB Office of Evaluation and Oversight (2017) recommends that the IDB strengthens the long-term sustainability of housing benefits by integrating housing and neighbourhood upgrading projects within larger urban and economic development programmes. Policy dialogue and programme designs "*should incorporate considerations of public transport, city revitalisation, accessibility, carbon footprint, and quality of life"* (emphasis added). Westhorp (2012) provides some guidance here, suggesting that evaluation design should consider which contextual features act as "controlling parameters" and therefore warrant particular attention, and what kinds of feedback we expect initial actions to generate.

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Notes



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