

# ASSESSING THE ECONOMIC BENEFITS OF PUBLIC HOUSING



## CLIENT

The Council of Large Public Housing Authorities  
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Econsult Corporation was retained by the Council of Large Public Housing Authorities (CLPHA) to assess the impact of public housing in local communities, both to understand better the impact of federal spending and to provide a context for policy debate. This study is the first to develop a framework for making quantitative estimates of the economic benefit of public housing investment and was intended to inform the wide-ranging debate about the role of federal government funding for affordable housing.

Econsult's study examined these issues using data from 10 separate markets that differ in scale, economic health, and geographic location. In addition to considering differences in conditions across cities, Econsult examined differing market conditions within cities. The local context captured complexities in the economic conditions of the different markets that may, in turn, affect the benefits of public housing.

Our study found that public housing generates a wide range of tangible economic benefits within local communities – in addition to its role as an affordable housing provider. Continued and enhanced investment to maintain this affordable housing resource will therefore directly support local economies, as well as public housing residents.

Econsult found that public housing property has intrinsic economic value that will depreciate over time without capital investment. Capital and operating expenditures associated with public housing spillover into regional economies, driving indirect and induced economic activity that nearly equals the effects of direct spending. The level of subsidy that would be necessary for the private market to provide equivalent housing is demonstrated by the difference between the current investment value of public housing and its replacement value. Without significant subsidy, the private market could not provide and maintain these housing services.