



## St. Leonard's Society of Canada Brief: Do Halfway Houses Affect Property Values?

### **Background**

The siting of transitional residences – for those with exceptionalities, a criminal record or other stigmatizing characteristic – has been an issue for communities for decades. Among concerns about safety and nuisance behaviours, homeowners want to feel that their investment will provide long-term emotional and financial stability and safety. This includes confidence in its property value.

This brief will review research findings which establish that there is no significant negative impact between Community-based Residential Facilities (CBRFs), or halfway houses as they are commonly known, and property values, as is sometimes perceived by concerned homeowners.

Statistics Canada has reported that the national crime rate has been on a downward trend and is at its lowest since 1972.<sup>1</sup> Regardless, crime remains a focus in communities, media and politics. However, public perceptions of crime and criminal justice do not necessarily represent factual truths. Further, with the recent tough on crime approach and the implementation of legislation such as the *Safe Streets and Communities Act*, the need to acknowledge and address public safety concerns is a reality.<sup>2</sup>

It has been found that former prisoners who have experienced difficulties obtaining suitable accommodation have a higher likelihood of being reconvicted than those who did not have accommodation problems.<sup>3</sup> A safe, affordable home has been identified as a key element in making it possible for people to begin reducing substance use, provides a base for creating friendships, getting to know and respect themselves, develop and establish their own networks, and become connected to the community and its resources.<sup>4</sup>

North American society tends to be fearful and punitive of the unknown. While we have evolved to appreciate the needs of those who have a physical disability, for instance, we have yet to be similarly empathetic to persons with mental health problems and illnesses. All of these factors, together with the stigmatization of former prisoners, results too often in the NIMBY (Not In My Back Yard) syndrome, defined as:

*the resistance and outright opposition by residents, either within a distinct place such as a neighbourhood, or, more broadly, in a larger civic area right up to a town or city level, against some planned nearby facility, service, or changed land use. These items can include plans for a halfway house...or virtually anything bringing change.<sup>5</sup>*

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<sup>1</sup> Statistics Canada. 2014. *Police-reported crime statistics in Canada, 2013*.

<sup>2</sup> *Safe Streets and Communities Act* (S.C. 2012, c. 1). First Session, 41<sup>st</sup> Parliament, 60-61 Elizabeth II, 2011-2012.

<sup>3</sup> Nilsson, A. 2003. Living conditions, Social Exclusion, and Recidivism Among Prison Inmates. *Journal of Scandinavian Studies in Criminology and Crime Prevention*. 4(1): 57-83.

<sup>4</sup> Kraus, D. et al. 2005. *Homelessness, Housing, and Harm Reduction: Stable Housing for Homeless People With Substance Use Issues*. Canada Mortgage and Housing Corporation (CMHC).

<sup>5</sup> Humber, W. 2010. Environmental Engagement and the Problem of NIMBYism (The “Not In My Backyard” Syndrome). *College Quarterly*. Vol. 13(1).

NIMBY relates to CBRFs, correctional facilities and former prisoners, and can draw upon both the perceived and genuine concerns of individuals, families and communities. Member agencies of St. Leonard's Society of Canada continue to face challenges due to NIMBY-ism from their communities when attempting to purchase properties or change zoning to better meet the needs of those in their care.

Shilton and Lindsay note that the key factors in siting and overcoming NIMBY-ism are:

1. To be successfully integrated into a community, a halfway house needs a public that understands its purpose and neighbors who are comfortable with its procedures.
2. Successful siting is more likely if there is public confidence that there will be a well-managed program, with access to drug and alcohol treatment and job development.
3. Correctional leaders can do a lot to encourage community input and ongoing involvement.
4. Successful siting will be easier if there are known or visible contributions to the community.
5. Although it seems unrealistic to many correctional leaders, the public is more likely to accept placement if all but very small programs are away from residential neighborhoods.
6. Correctional professionals will be more likely to succeed when there has been a careful assessment of the community prior to entering it.<sup>6</sup>

### **Findings on Property Values**

Much of the research on this issue was conducted several decades ago. The findings have stood the test of time.

A relevant Canadian study done in the 1980s by MacNeil and Kappel explicitly examines correctional facilities and property values.<sup>7</sup> While many other Canadian and American studies exist but are more broadly-based,<sup>8</sup> they generally looked at the influence of group homes (e.g. social housing projects, homes for the mentally ill, non-profit developments), as opposed to halfway houses specifically. MacNeil and Kappel analysed property transactions, police records, crime rates and public attitudes over a four year period in Toronto, London and Ottawa. They hoped to identify the impact of correctional group homes on property values and crime rates, and the attitudes and perceptions of neighbourhood residents on these issues. Eighteen control and experimental groups (neighbourhoods) were established. The researchers concluded that the presence of the home *may* positively affect property values. They noted that several

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<sup>6</sup> Shilton, M and Lindsay, M. 2003. *Siting Halfway houses- some suggestions for correctional professional: Selected readings and references*. Center for community corrections.

<sup>7</sup> MacNeil, J. and Kappel, B. 1986. *Executive Summary, Community Impact Study: The Effects of Locating Correctional Group Homes in Residential Neighborhoods*.

<sup>8</sup> See for example: Shilton, M and Lindsay, M. 2003; Ekos Research Associates Inc. 1994. *Final Report. Impacts of Social Housing - Family Projects*. Canada Mortgage and Housing Corporation. Ottawa; Benzvy-Miller, S. 1990. *Community Corrections and the NIMBY Syndrome. Forum on Corrections Research*. Vol. 2(2). Correctional Service Canada. Retrieved from: [http://www.csc-scc.gc.ca/research/forum/e022/022h\\_e.pdf](http://www.csc-scc.gc.ca/research/forum/e022/022h_e.pdf).

experimental groups found an increase in property values compared to control groups, but that the results were inconsistent across each of the cities. Given this inconsistency, MacNeil and Kappel determined that the findings were not conclusive.

MacNeil and Kappel also conducted a study on the length of time a property remained on the market, using the total number of property transactions in each group; in this case, there was no evidence to support any difference between the control and experimental groups. They concluded that the presence of the home did not have any definitive impact on surrounding neighbourhood properties. Other studies in this field that examine the presence of a wider scope of group home do conclusively indicate that their presence in no way affects property values.<sup>9</sup>

The Ontario Municipal Board (OMB), an independent tribunal that hears appeals and applications to resolve land disputes, has considered the property values issue in the past. In a court case appealing an Assessment Review Board decision to reduce 10 property assessments by 10% as a result of local group homes in North York in 1983, the OMB reversed the decision stating that there was no evidence of loss of property value due to proximity to the homes.<sup>10</sup>

In the United States, similar findings are evident. Martinez identified 15 studies between 1963 and 1986 and compounded evidence involving group homes, subsidized housing and manufactured housing.<sup>11</sup> All but one study found that there was no negative impact on market values due to the homes' existence in the area. In a Canadian study published that same year, Boydell, Pierri and Trainor concluded that property markets near the group homes they studied in Toronto were not negatively impacted, and they went on to suggest that neighbourhood real estate values were perhaps strengthened through its presence.<sup>12</sup>

Smith and Associates published results in 1992,<sup>13</sup> as did Ekos Research Associates earlier in 1989.<sup>14</sup> While these research studies examined the impact of non-profit social housing on property values, yet another study found similar conclusions relating to group homes for the mentally ill. They hypothesized that upgrading (i.e. improving property characteristics) near group homes occurs, and that this may positively impact property values.

Further research reaffirms these conclusions. Ekos Research Associates were funded by the Canada Mortgage Housing Corporation to complete another major study which looked at both the perceived and real impacts of social housing across Canada. In 1994, results were published from fifteen housing projects in Vancouver, Ottawa, Montreal and Halifax. While decreasing property values were listed as the primary concern of respondents in the neighbourhoods (almost half of the 556 individuals questioned believed that their property value was negatively affected by the home), the analysis of property values found that there was no statistically

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<sup>9</sup> Ryan C. S., and Coyne, A. 1985. *Effects of Group homes on neighborhood property values*. American Association on Mental Deficiency.

<sup>10</sup> As seen in *Halton Hills Residential Care Facilities Study*. 2001. Appendix 4: Literature Review. OMB and Assessment Review Board rulings are no longer available.

<sup>11</sup> Martinez, M. 1988. *The Effects of Subsidized and Affordable Housing On Property Values: A Survey of Research*.

<sup>12</sup> Boydell, K., Pierri A. and Trainor, J. 1986. *The Effect of Locating a Group Home for the Mentally Ill on Neighbourhood Property Markets: A Case Study Approach*. Queen Street Mental Health Centre. Toronto.

<sup>13</sup> Regional Municipality of Peel, Ontario (Mississauga, Brampton, Caledon).

<sup>14</sup> Ontario Ministry of Housing, carried out in Toronto, Ottawa and North Bay.

significant difference in price of property due to the presence or absence of social housing, regardless of proximity.<sup>15</sup>

In 1995, the Ministry of Housing, Recreation and Consumer Services of British Columbia initiated a task force on this subject. Their investigation highlighted seven property value studies undertaken by professional property appraisers.<sup>16</sup> In all seven cases there was no evidence that the existence of a 'special needs home' negatively affected prices of homes. In fact, in five of the seven areas examined, the task force noted that the average house price actually increased in the areas with a group home. Overall, sales patterns were found to be strikingly similar between the 'impact area' with the group home and the 'control area' in absence of such a home.

More recently, The John Howard Society of Alberta has conducted six major studies on communities where halfway houses were opened. They determined that there was no significant change in average housing prices. One study revealed that 5 out of 9 neighbourhoods where halfway houses opened, the average housing prices were equal to or higher when comparing the values two years after opening to values one year before.<sup>17</sup>

The John Howard Society of Alberta has stated that:

*Research has shown that halfway houses do not contribute to increased crime rates or to decreased property values. The vast majority of offenders who re-enter the community through a halfway house successfully complete their stays. Further, recidivism rates are low for offenders who have been gradually released into the community.<sup>18</sup>*

An American study found that the values of properties that are located within 500 feet of supportive housing, such as a halfway house, showed steady growth in value. Properties that are located between 500 to 1000 feet from the supportive housing facility show a decline in value when the facility first opens, but steadily increases after that. A possible causation could be the realization that fears about supportive housing turned out to be wrong.<sup>19</sup>

According to former San Antonio Police Department Chief of Police, William P. McManus:

*I asked my staff to conduct a survey of the neighborhoods surrounding the locations of the four facilities. The surveys included a 3-year trending in all major categories of violent and property crimes, as well as the creation of density maps to reflect this data. The results do not indicate a pattern of crimes related to the halfway houses. In addition, officers visited the locations and learned that these houses provide reintegration to inmates who have less than 10% remaining on their sentences and are on work release programs. These residents have curfews and are checked regularly for drug use and work hard not to jeopardize their*

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<sup>15</sup> Ekos Research Associates Inc. 1994.

<sup>16</sup> Conducted in Esquimalt, Kelowna, Nanaimo, North Vancouver, Surrey, Vancouver and Victoria.

<sup>17</sup> John Howard Society of Alberta. 2001. *Halfway Houses, Executive Summary*.

<sup>18</sup> John Howard Society of Alberta. 2001.

<sup>19</sup> Furman Center for Real Estate and Urban Policy. 2008. *The Impact of Supportive Housing on Surrounding Neighborhoods: Evidence from New York City*. New York University School of Law.

*status. Though crime does occur in these neighborhoods, we have not associated any of the crimes with the halfway houses or their residents.*<sup>20</sup>

The International Community Corrections Association (ICCA) has undertaken extensive research efforts to bring together information on siting halfway houses using a collaborative approach with various communities and academics. The following table is a compilation of myths and realities presented by the ICCA based on this work:<sup>21</sup>

| Myth  | Reality  |
|---|--|
| Re-entry Programs lead to increased crime in the neighborhood.                      | Re-entry Programs provide supervision and support for people who might otherwise go astray. Crime actually is reduced in neighborhoods with Re-entry Programs.   |
| Halfway Houses lower property values.   | Most Halfway Houses are major renovations of existing properties, and are meticulously maintained. They almost always raise the value of the property they are in. They have no effect on, or increase the value of those around them. |
| Re-entry Program residents will bring drugs and dope-dealing into the neighborhood. | Clients are randomly and regularly searched and tested for drugs and alcohol, with severe consequences for any use -- almost always resulting in a resident's temporary or permanent removal from the program.                         |

In addition, a study done by the George Washington University, Center for Excellence in Municipal Management and the Center on Juvenile and Criminal Justice found that decreases in property values due to halfway houses are a myth.<sup>22</sup> They have found that the housing value on streets with halfway houses actually increased over a five year period.

American attorney John Mancini addressed public concerns on safety by establishing the fact that the presence of a halfway house in a neighbourhood will create additional security. For example, the addition of security cameras around the building would create another set of watchful eyes patrolling the area. There would also be staff members on duty at all times who are all qualified and have met federal training requirements.<sup>23</sup>

<sup>20</sup> International Community Corrections Association. 2010. *Second chances: Keeping neighbors safe! A Tool Kit for Siting New and Expanding Existing Community Corrections Programs.* pp. 71-83.

<sup>21</sup> International Community Corrections Association. *Returning Home: The Challenge of Reuniting Returning Citizens with their Families and Communities.* (Presentation). Retrieved from: <http://www.iccalive.org/icca/images/documents/secondchance/Returning%20Home.ppt>.

<sup>22</sup> Feldman, L. 2002. *Studies on Halfway Houses Policy Brief: Do Halfway Houses and Community Corrections Facilities Cause Property Values to Decrease?* Justice Policy Institute.

<sup>23</sup> Kelly and Mancini, P.C., 2014. *Federal Halfway house proposal riles Providence neighborhood.* K&M News.

While many of these reports were completed a decade or two ago, additional research completed on the topic since then has continued to establish that property values are not impacted by the presence of group or transitional residences alone.

What has not changed, however, is the ongoing fear by neighbours that ‘those people’ will cause trouble, and will reduce the value of their homes. Stigma continues.<sup>24</sup> The publication of a Siting Toolkit by the International Community Corrections Association in 2010 directly addresses the issue of property value.<sup>25</sup> It cites many of the findings noted above, and reaffirms the following:

1. There had been an increase in housing values for all of the houses that had a halfway houses and community bases facilities in the neighborhood
2. Even the houses that were located within a one- block radius of the facility experienced a housing value increase over the previous five years. Some homes within a couple of blocks of a facility actually doubled in value, or rose as much as \$100,000.
3. Community based facilities did not contribute to a decrease in housing values in the neighborhoods where numerous facilities were located over the previous five years.<sup>26</sup>

### **Summary**

Every indication suggests that the presence of halfway houses and correctional residential facilities does not negatively affect property values, as the public at large may instinctively fear or believe.

The following three findings have become evident through this investigation:

1. Factors that do affect property value include economic forces, location of industrial sites, shopping malls and transportation services, the quality of public services and facilities, the presence or absence of schools and the general characteristic of the property itself.<sup>27</sup>
2. Individuals who are unaware of social housing in their area are more likely to think that the presence of social housing would have a negative impact on the neighbourhood.<sup>28</sup>
3. Communities which are more aware, involved, and communicate with planners and house operators more are more tolerant, feel greater confidence in the home generally, and are less likely to perceive negative impacts of the home on their neighbourhood.<sup>29</sup>

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<sup>24</sup> See for example: Kelly and Mancini, P.C., 2014; Parkhill Stanley Park Community Online Blog. *Halfway House – More Details*. Retrieved from: [http://www.parkhillstanleypark.ca/halfway/halfway\\_details.htm](http://www.parkhillstanleypark.ca/halfway/halfway_details.htm).

<sup>25</sup> International Community Corrections Association. 2010.

<sup>26</sup> International Community Corrections Association. 2010.

<sup>27</sup> Lapointe Consulting Inc. 1991. *Halton Hills Residential Care Facilities Study: Final Report*. Town of Halton Hills & Region of Halton. Toronto.

<sup>28</sup> See for example: Centre for Community Corrections. 2002. *Summary of Findings. Public Outreach and Halfway Houses and Intergovernmental Solutions: Final Report*. Open Society Institute, Criminal Justice Initiative. New Jersey; Energy Pathways, Inc. 1994. *A Management Strategy for the NIMBY Syndrome. Kings Square Non-Profit Housing Corporation, Charlottetown, Prince Edward Island*. Canada Mortgage and Housing Corporation. Ottawa.

<sup>29</sup> See for example: Benzvy-Miller, S. 1990; Ekos Research Associates Inc. 1994; Energy Pathways, Inc. 1994.

## **Conclusion**

The evidence demonstrates that the presence of halfway houses is not a relevant factor affecting property values in their vicinity. The absence of a negative impact is clear from the research. The potential for a positive impact is interesting, but not conclusively shown. Factors which do affect property values are not dependent on the presence or absence of halfway houses.

Therefore, what is important is the positive impact that the houses and their staff have on their residents and their successful reintegration. To that public safety end, it is desirable to provide safe, supported housing throughout our communities.

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