

Finland's Housing First Policy

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Issue

This report describes Finland's "Housing First" policy, including its effects on homelessness and financial benefits.

Summary

Finland's constitution provides guarantees of housing. In 2008, Finland instituted a "Housing First" policy, which provides homeless persons with housing before treating underlying health conditions. This policy contrasts with the traditional model of addressing homelessness, which involves treating underlying issues before an individual receives housing (the "staircase model").

"Housing First" operates as a collaboration between the Finnish government, municipal governments, and non-governmental organizations (NGOs) and provides housing tailored to an individual's needs (e.g., an individual rental apartment or a supported housing unit). Program participants pay part of their rent and operating costs and are subject to any rules governing the location. According to Finland's Ministry of the Environment, Finland is the only country in the European Union (EU) experiencing decreases in homelessness since the program began.

Finland has spent at least 270 million Euro to build, purchase, and renovate housing for the Housing First program. According to one study, Finland now spends 15,000 Euro less per year per homeless person than it did before implementing Housing First.

For more information on the background of Housing First, see [Housing First: Combatting Long-Term Homelessness in Finland](#).

Housing First Program

Background: Finnish Constitution

Finland's constitution guarantees that persons "who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care" and states that "public authorities shall promote the right of everyone to housing and the opportunity to arrange their own housing" ([The Constitution of Finland, June 11, 1999, ch. 2., § 19](#)).

Housing First Policy

In 2008, Finland [adopted](#) the "Housing First" policy. Under Housing First, short-term rental housing is provided to homeless persons before treating any underlying health issues (e.g., mental health and substance abuse), thus reducing barriers to entry. This contrasts with the "[staircase model](#)," the common model of reducing homelessness in many countries which focuses on treating underlying issues before homeless persons receive housing. Described another way, under the "staircase model," housing is a form of reward as opposed to a starting point under "Housing First."

"Housing First" is a [collaboration](#) between the national government, municipal governments, and largely the Y-Foundation, an NGO that operates in 57 Finnish municipalities. It is grounded on the following [four principles](#):

1. Independence: participants receive housing based on their need (e.g., a rental apartment or as part of a supported housing unit with on-site support);
2. Autonomy: participants have choice in the treatments and services they receive (e.g., they are not required to give up intoxicants);
3. Equality: staff treat program participants as equals and give consistent positive feedback; and
4. Integration: participants receive help to feel connected to the community by having their own lease and being supported in keeping contact with family and other networks.

Persons in "Housing First" are treated as tenants. They receive a rental contract and pay a percentage of the overall rent and operating costs. Rental agreements are designed to [provide tenants](#) with permanent housing.

"Housing First" is primarily implemented at the municipal level and by the Y-Foundation. The Finnish government provides funding that municipalities use in implementing the policy. The municipalities may then spend the funds themselves or purchase support from other service providers, such as NGOs. At the same time, the Y-Foundation receives discounted loans to

purchase properties on the private market to house homeless persons. The social workers that staff these properties and work with homeless persons are paid by the government. Apartments that are bought by the Y-foundation or the government on the private market are also partially funded by the Finnish Lottery.

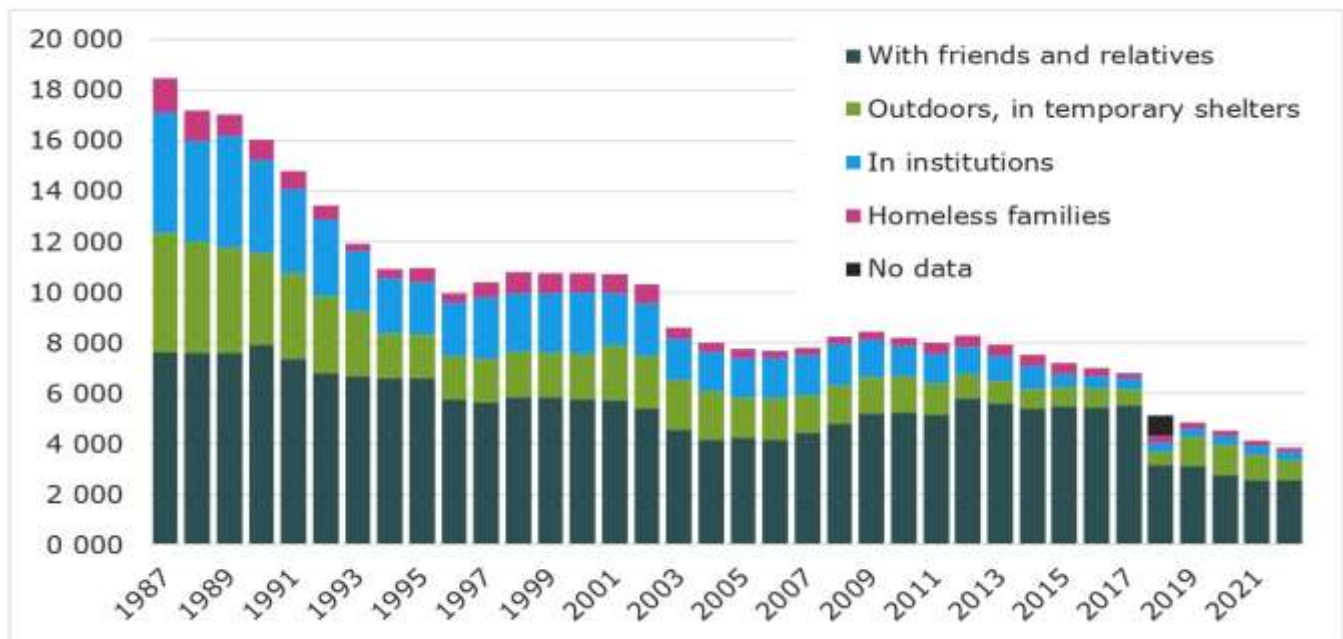
Benefits of Housing First

Homelessness Rate

According to Finland’s Ministry of the Environment, Finland is [the only EU country](#) where the number of homeless people has declined since Housing First began in 2008. The ministry states that due to the Housing First program, the number of long-term homeless persons between 2008–2015 decreased by 35%. Moreover, as of 2016, overall homelessness decreased for the first time to fewer than 7,000 people (Finland’s population is [approximately 5.6 million](#)).

Figure 1 below, from the [Housing Finance and Development Centre of Finland](#), shows total homelessness in Finland since 1987, by temporary residence.

Figure 1: Total Homelessness in Finland by Temporary Residence



Financial Benefits

According to a policy case study from The Atlas, a for-profit organization that provides resources for state and local governments, Finland has spent [at least 270 million Euro](#) to build, purchase, and

renovate housing for the Housing First program. According to the [study](#), Finland now spends 15,000 Euro less per year per homeless person than it did before implementing Housing First. The study attributes reduced governmental expenses to a decrease in emergency situations among homeless persons (e.g., from assaults, injuries, and breakdowns). (This 15,000 Euro amount was also cited in a 2020 [CBC Radio interview](#) with Juha Kaakinen from the Y-Foundation.)

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