



European Construction Sector Observatory

Policy fact sheet

Finland

Housing First

Thematic Objective 1

November 2019



In a nutshell

Implementing body	The programme was implemented and coordinated by the Ministry of Environment, with the support of the Ministry of Social Affairs and Health, the Criminal Sanctions Agency, the Housing Finance and Development Centre of Finland (ARA) and Finland's Slot Machine Association (RAY).
Key features & objectives	Implementation of the Housing First Approach, acquisition and construction of new social housing for the homeless with the aim of eliminating long-term homelessness by 2015.
Implementation date	2008-2011: PAAVO I 2012-2015: PAAVO II 2015-2019: Action Plan
Targeted beneficiaries	The homeless and the long-term homeless
Targeted sub-sectors	Residential
Budget (EUR)	98.2 million for PAAVO I 99.2 million for PAAVO II 78 million for the Action Plan
Good practice	★★★★★
Transferability	★★★★★

With an important surge in the homeless population taking place in the 80's, the Finnish government started to adopt measures to tackle this problem during the same decade¹. While these initiatives were originally successful in reducing homelessness, the new spike of homelessness in the 2000's exposed the weaknesses of the old 'staircase approach'².

In this approach, the focus was less on the housing supply than on an improved management of the housing stock. The 'staircase model' provided help to homeless through a series of stages.

Beneficiaries could first access shelters, only then could they receive a temporary accommodation and, in a third and last time, they could potentially receive a more permanent accommodation. This progressive approach was voluntarily incorporated to the staircase model as it allowed to assess and reward the beneficiaries demonstrated willingness to reintegrate society³.

This model, as well as the different national initiatives on homelessness, got jointly evaluated in 2006 when it was highlighted that the achieved results were generally disappointing. It was thus decided to explore new possibilities⁴. The Ministry of the Environment therefore launched two working groups in 2007 and 2008, which led to the development and implementation of the 'Housing First' principle.

Housing First aimed to eradicate long-term homelessness using a new approach based on providing housing unconditionally to all those in need.

This concept goes against the old staircase approach and starts with the premise that having a permanent home is the first condition for homeless to get their life in order. The core idea is therefore to start with an increase of the housing supply to be able to provide a home, without any precondition, to those that need one⁵. Quickly adopted, the new approach was implemented through two successive programmes. PAAVO I (2008-2011) aimed to halve long-term homelessness⁶ and PAAVO II (2009-2015) aimed to eliminate long-term homelessness⁷. These programmes are widely seen as successes and they were followed by an 'Action Plan' which aims to continue their effort, while switching the focus to prevention⁸.

Ten cities participated in PAAVO I (Helsinki, Espoo, Vantaa, Tampere, Lahti, Jyväskylä, Oulu, Joensuu, Kuopio and Turku) which were joined by an eleventh during PAAVO II (Pori)⁹. The initiative was taken to adopt an encompassing approach to implement the policy. A large coalition of players was therefore created, involving state agencies,

ministries, NGOs and municipalities, to run and implement the initiative¹⁰. This approach allowed to maximise the programme's impact, facilitate the implementation process while the coordination of efforts was ensured by the Ministry of the Environment¹¹.

Although the ambitious original targets of halving and then eliminating long-term homelessness were not met, the programme is still very widely considered a large success that is being copied in several other countries. The programme's results are especially impressive since, according to the European Federation of National Organisations

working with homeless (FEANTSA), Finland is the only country in the European Union where the number of homelessness continue to decrease¹².

The new Housing First approach also decisively changed the housing supply as the old network of shelters and temporary hostels was discontinued and replaced by a new housing stock of dwellings, either built, renovated or acquired for the programme's purpose¹³. For PAAVO I alone, the original target of building 1250 new dwellings was exceeded and 1,519 dwellings ended-up being constructed¹⁴.

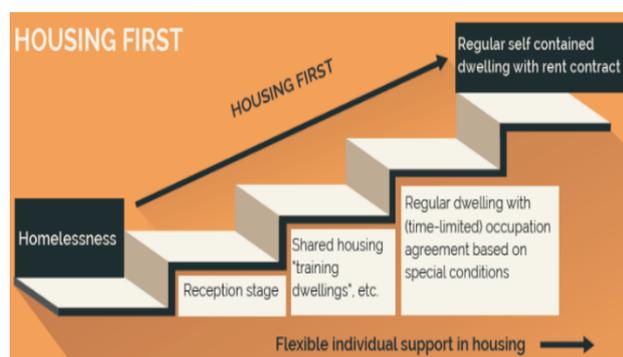
1.

General description

The Housing First concept was originally developed in New-York in the 1990's by Dr. Sam Tsemberis¹⁵. The approach originally focused on those elements of the population suffering from psychiatric problems. The approach was then progressively extended to include people spending long periods of time in sheltered accommodation, as well as released convicts at risk of becoming homeless¹⁶. The approach was developed in opposition to the traditional Staircase Model that was developed by psychiatric institutions —and is still applied in most European countries nowadays¹⁷. To receive support under the Staircase Model, homeless people with significant psychological issues are required to demonstrate their willingness and effort to get back on track¹⁸.

The growing amount of evidence highlighting the old approach inability to help more fragile groups and solving homelessness led to the development of the Housing First principle in North-America. The latter adopted the opposite perspective that permanent dwelling should be provided first to solve homelessness.

Figure 1: Staircase Model vs Housing First Principle



Source: *Housing First Europe*¹⁹

Facing a similar situation of homelessness and inefficient public policies, the Ministry of the Environment of Finland launched two working groups in 2007 and 2008 that explored the American experience and adopted this new

approach as the best model to address Finnish homelessness. In a nutshell, this principle is based on the idea that the solution to homelessness is to create permanent and sustainable accommodation that is provided unconditionally to those in needs: “(...) in Finland [this] has meant a home of one’s own with a lease based on the Act on Residential Leases and individual support services when necessary”²⁰.

This new logic was implemented during the two stages of the PAAVO programme – the Finnish National Programme to Reduce Long-Term Homelessness²¹:

- PAAVO I (2008-2011);
- PAAVO II (2009-2015).

Following these programmes’ successes, the approach was maintained, and a new plan called ‘The Action Programme for Preventing Homelessness: AUNE (2016-2019)’ was launched.

PAAVO I was launched in ten Finnish cities that have the largest populations of homeless and long-term homeless people – Helsinki, Espoo, Vantaa, Tampere, Lahti, Jyväskylä, Oulu, Joensuu, Kuopio and Turku²². The programme’s objective was to increase the housing supply, offer these dwellings to long-term homeless and halve the total number of homeless people in the participating cities²³.

PAAVO I adopted a collegial approach, bringing together a consortium of stakeholders to fund, run and implement the programme. In the state administration the programme was implemented and coordinated by the Ministry of Environment and coordinated by the Ministry of Social Affairs and Health, the Criminal Sanctions Agency, the Housing Finance and Development Centre of Finland (ARA) as well as the Finland’s Slot Machine Association (RAY). In addition, many national and local NGOs and other service providers took part in the execution²⁴.

The involvement of such a large coalition of actors also had consequences on the monitoring procedures. The Ministry of the Environment remained the main authority to monitor the advancements and coordination of efforts throughout the PAAVO I and II initiatives. In addition, two intermediary reports were produced, and the different funding institutions monitored the programme development for their own sake at different level (municipalities, etc). It remains that the main monitoring body was and still is the Ministry of the Environment²⁵.

To reach its main objective of halving the number of long-term homeless by 2011, PAAVO I set the target of 1,250 new dwellings to be built by 2011 while shutting down the old network of shelters and temporary hostels²⁶. This was funded by the ARA that granted EUR 80 million, including EUR 58 million for the renovation and refurbishment of existing housing²⁷. Furthermore, EUR 10.3 million was attributed to participating cities by the Ministry of Social Welfare and Health to hire 205 new social workers to provide support to homeless – the cities paying approximately half of the new staff's salaries²⁸.

In addition to the construction of new dwelling, PAAVO I also entailed a prevention dimension. The ARA granted EUR 2.7 million and the RAY EUR 4.9 million to build or acquire 600 new dwellings for young and to provide support and counselling to 500 young²⁹. Moreover, the ARA granted EUR 320,536 to hire advisers and researchers to develop a prevention programme in suburban areas³⁰.

Released prisoners were also taken into consideration in this prevention dimension. It was indeed assessed that one out of three prisoners were ending-up homeless³¹. The Finish Slot Machine Association, Raha-automaattiyhdistys (RAY), provided funding to two NGO: Jyväskylä City Mission and Krit. These NGOs were charged of acquiring the new dwellings for ex-convicts³². Jyväskylä City Mission purchased 18 flats and NGO Krits acquired 22. In addition, Krits renovated five residential units, provided training to social workers and coordinated the development of a NGOs' network to provide support to ex-convicts³³.

PAAVO II was launched following the completion of PAAVO I. One additional city (Pori) joined the new

programme, which objective was to eliminate long-term homelessness³⁴. The new programme continued to invest in the construction of new dwellings. However, the emphasis was no longer placed on the development of the housing supply but rather on the prevention side. In addition, the new plan aimed at closing the remaining shelters and hostels, as the old network of temporary accommodation was only partially shut down so far³⁵.

On the prevention side, PAAVO II replaced the previous approach to homelessness by the broader concept of social exclusion, which is seen as the main cause to long-term homelessness and the main challenge to normalise former homeless' situation³⁶. In other words, to prevent that people released from prisons and psychiatric institution ends up joining the homeless population, accommodation solutions must be developed and planned before the release from prison or psychiatric institutions³⁷.

However, the complete transition to the new preventive approach initiated with PAVOO II is expected to be completed only by the end of the new Action Plan³⁸.

Furthermore, PAAVOO II went beyond the provision of housing. New forms of 'less intensive support' were developed, involving counselling and psychological support³⁹. In addition, the second version of PAAVO began operating 'floating services', a term that designates new mobile support, where psychologists go to the person in need rather than having them to go to a health centre⁴⁰.

Table 1 describes how PAAVO II was funded.

Table 1: Overall budget PAVOO II (2012-2015)

Funding institution	Funding details
The housing finance and development centre of Finland, ARA	EUR 22 million in investment grants for the modification of shelters and separate projects, such as EUR 2.2 million in housing advice grants.
Ministry of Social Affairs and Health, STM.	EUR 10 million for the wage costs of support staff.
Finland's slot machine association, RAY	EUR 65 million. Total contribution to the programme exceeded EUR 65 million, of which: <ul style="list-style-type: none"> • EUR 32.3 million in housing

Funding institution	Funding details
	advice grants <ul style="list-style-type: none"> • EUR 14.5 million in investment grants for constructing youth apartments • EUR 18.6 million in operating grants for development projects, for example

Source: Y-Foundation, 2017⁴¹

Table 2 provides a breakdown of the budget allocated by the State to the participating cities.

Table 2: Budget allocation (EUR) by city to hire staff for PAVOO II (2012-2015)

City	2012	2013	2014	2015	Total
Espoo	1,170,000	920,000	920,000	235,000	3,245,000
Helsinki	1,178,000	1,320,000	1,320,000	465,000	4,283,000
Joensuu	68,500	80,000	80,000	61,000	289,500
Jyväskylä	26,667	50,000	80,000	50,000	206,667
Kuopio	46,000	78,000	159,000	53,000	336,000
Lahti	37,000	37,500	38,000	22,000	134,500
Oulu	37,000	80,000	80,000	53,000	250,000
Tampere	85,000	0	160,000	110,000	355,000
Turku	74,000	76,000	76,912	0	226,912
Vantaa	13,950	184,500	340,000	195,000	733,450
TOTAL	2,736,117	2,826,000	3,253,912	1,244,000	10,060,029

Source: Y-Foundation, 2017⁴²

Table 3 describes the specific objectives of PAAVO II in each target region.

Table 3: PAAVO II housing objectives

City	Objective
Helsinki	<ul style="list-style-type: none"> • 750 dwellings or supported housing apartments for the long-term homeless • Housing in shelters to be discontinued by 2013 • In addition, various projects to support work on homelessness
Vantaa	<ul style="list-style-type: none"> • Acquiring 85 dwellings • 100 newly built dwelling places
Espoo	<ul style="list-style-type: none"> • Settling 225 homeless people into the social rental housing stock annually • Constructing 125 dwellings and organising support for the long-term homeless • Among other things, three plots of land were also allocated to rental housing for young people
Tampere	<ul style="list-style-type: none"> • 120 dwellings for the homeless from the city's social rental housing stock • 106 dwellings or supported housing apartments for the long-term homeless • Also developing the housing services for, among others, young people, substance abuse and mental health rehabilitees and

City	Objective
	those entering supervised probation
Lahti	<ul style="list-style-type: none"> • Providing 58 dwellings or supported housing for the long-term homeless Shelter housing to be discontinued • Additionally, increasing the efficiency of the social rental housing stock in housing the homeless and investing in the prevention of homelessness by employing housing advisors, among other things
Turku	<ul style="list-style-type: none"> • Allocating 20–30 dwellings or supported apartments annually for the long-term homeless or those under threat of homelessness • The main focus was on preventing youth homelessness and improving young people's life management
Jyväskylä	<ul style="list-style-type: none"> • Acquiring 12 dwellings for long-term homeless young adults • Also strengthening preventive measures and support services in scattered rental housing, among other things
Joensuu	<ul style="list-style-type: none"> • Among other things, launching the Housing Support Point, preventing youth homelessness, housing released prisoners and providing more housing advice
Kuopio	<ul style="list-style-type: none"> • Providing 55 apartments for the long-term homeless • Producing youth housing on two plots of land implementing a project aimed at young people who use intoxicants
Oulu	<ul style="list-style-type: none"> • Among other things, creating and implementing an operating model for housing guidance and advice, developing preventive measures and providing novel housing solutions targeted at the long-term homeless
Pori	<ul style="list-style-type: none"> • Allocating 60–80 dwellings for the long-term homeless from the rental housing stock • Transforming the shelter for men into a supported housing unit Also increasing housing advice, among other things

Source: Y-Foundation, 2017⁴³

An international research evaluation of homelessness was conducted in 2014 and concluded that a durable reduction of homelessness stems from an effective and comprehensive cooperation strategy. In addition, the evaluators recommended to increase attention and efforts in prevention⁴⁴.

Following the end of PAAVO II, the Action Plan for Preventing Homelessness in Finland (2016-2019) was launched taking these recommendations into considerations. Homelessness was more deeply connected to the global problem of social exclusion

and the emphasis put on prevention (already present in PAAVO II) was reinforced⁴⁵.

The new Action Plan has two main objectives: firstly, strengthening the prevention of homelessness and, secondly, increasing home-retention and avoiding the relapse of beneficiaries to homelessness⁴⁶. This shift is logical as it reflects the programme's achievements: since the number of homeless was constantly reducing since PAAVO I, the main focus was no longer to take homeless out of the street but rather to avoid the apparition of new homeless and increase the house retention rate for the former homeless that already received an accommodation⁴⁷.

The plan aims at developing 2,500 new dwellings or places for homeless or group at risks, which includes an important number of refugees. Furthermore, efforts are made to overhaul the service system, so as to emphasize prevention and make it more customer centric. Following this logic, a Social Welfare Act was passed to reform the service structure including allocation of resources and cooperation mechanisms. Prevention solutions are being piloted at a national level and the best solutions identified then disseminated to the other cities⁴⁸.

In addition, the Action Plan aimed to achieve cost savings as prevention means less need for corrective measures. As an example of this type of saving, it is estimated that the provision of housing guidance in Helsinki saved approximately EUR 1.5 million saved from the city's rental housing companies in 2015, while ensuring the continued housing of hundreds of tenants by preventing arrears of rent from becoming court cases⁴⁹.

The Action Plan was estimated to cost EUR 78 million. Construction, procurement and rental represent an investment of approximately EUR 54 million, while developing and coordinating new services account for EUR 24 million. Funding is gathered from several sources with RAY amounting for approximately EUR 23.6 million. The participating cities will contribute up to EUR 6 million. The sources of financing for the remaining EUR 60.4 million is not available even though they have been described as already being secured⁵⁰.

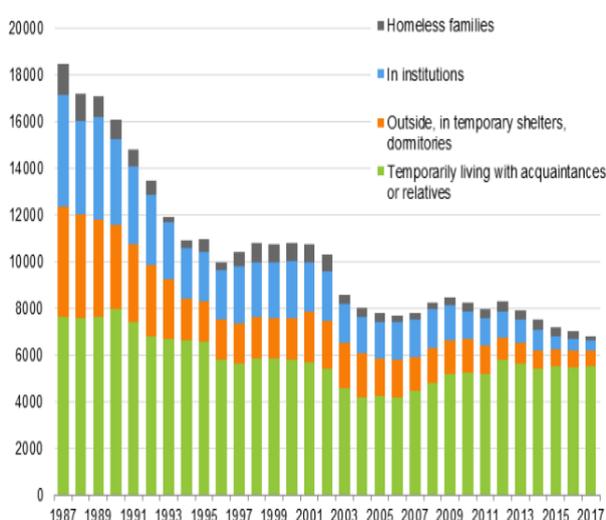
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Achieved or expected results

The Action Plan is still ongoing, and its impacts are therefore impossible to assess as ex post evaluations are currently not available. This section will therefore focus on the results achieved by PAAVO I and II.

The initial objectives of halving long-term homelessness by 2011 (PAAVO I) and to eliminate it by 2015 (PAVOO II) were not achieved. However, this underachievement is rather anecdotal, when one looks at the larger picture. Finland is the only country in the European Union where homelessness and long-term homelessness is continuing to decrease⁵¹. Indeed, thanks to Housing First, the number of single homeless dropped from 7,955 in 2008⁵² to 5,482 in 2018 and long-term homelessness dropped from 2,628 people in 2012 to 1,162 in 2018⁵³. Figure 2 summarises the positive evolution of homelessness in Finland.

Figure 2: Homelessness in Finland from 1987 to 2017 (ARA)



Source: ARA — Homelessness in Finland 2017⁵⁴

Table 4 provides a summary of the evolution of homelessness in the participating cities for PAAVO I:

Table 3. Implementation results, PAAVO I (2011) and PAAVO II (2018)

	Single homeless		Of which long-term homeless			2018	
	2008	2011	2008	2011	2012 (est)	Single	Long Term
Helsinki	3150	3400	1591	1240	1061	2114	481
Espoo	486	624	385	336	190	658	158
Vantaa	611	545	140	148	60	246	32
Tampere	608	351	214	96	996	254	63
Turku	347	332	245	151	151	504	23
Lahti	208	180	108	78	78	12	7
Jyväskylä	154	182	80	38	26	204	39
Kuopio	186	220	33	55	55	126	64
Joensuu	103	100	85	17	17	56	16
Oulu	112	40	50	31	31	94	22
Total	5965	5974	2931	2190	2665	4268	905

Source: Final Report on PAAVO 1 (2011) and ARA (2018)^{55, 56}

Table 4 shows that the evolution of homelessness caused by the programme is more complex than a simple reduction. Homelessness increased in 5 cities between 2008 and 2011 and, when looking at a longer period, we can see that it increased in a total of 3 cities between 2008 and 2018. Furthermore, long-term homelessness increased in one city (Jyväskylä) between 2008 and 2018. However, the overall trend is positive, and the main category of homelessness covers people living temporarily with acquaintances or relatives (see Figure 2).

This achievement can be explained by the programme ability to both increase the housing stock and radically modify the structure of the state-owned housing stock.

The original target of 1,250 new dwellings by 2011 was exceeded by 269 flats, thus reaching 1519 in 2011⁵⁷. In addition, EUR 35 million were gathered by a consortium of partners for 360 additional flats, built or acquired (list of partners involved: Y-Foundation¹⁰, Jyväskylä Street Mission, Kovaosaisten Ystävät ry (NGO), Krits foundation (NGO) and the Blue Ribbon Foundation)⁵⁸. Simultaneously, the old network of temporary-

hostels and shelters was partially shut-down⁵⁹ and was fully shut down in 2015, at the end of PAAVO II⁶⁰.

According to the CEO of the Y-Foundation, the impact PAAVO I and PAAVO II on the construction and residential market was extremely important⁶¹. The first initiative was launched in 2008, when the financial crisis began to impact the construction industry. As the market contracted and investment in construction collapsed, the availability of social housing construction contracts proved to be a lifeline to many construction companies⁶².

During the worst years of the crisis, according to the CEO of the Y-Foundation, Housing First construction projects accounted for most of all new construction work in the residential sector⁶³. Ironically, the impact of the crisis on the construction sector may well have helped Housing First to reach its targets. Contractors are usually reluctant to build social housing because it is highly regulated and less profitable. However, at a time of low demand for new residential construction, contractors did not have much choice but to accept social housing construction contracts. This helped Housing First to achieve rapid success⁶⁴.

PAAVO I also became an economically attractive solution by adopting a holistic approach. Significant savings were achieved, for example, by lowering the use of institutional care in welfare services (mainly health services for substance abusers)⁶⁵. On average, Housing First is estimated to have halved the financial burden that homelessness places on welfare services. Estimates suggest that Housing First is achieving an average saving of EUR 4,000 for each homeless person taken off the street⁶⁶. This suggests therefore that it will be possible to amortize the programme's total investment within 5-6 years. The programme should consequently achieve a total of EUR 21.3 million in savings over the course its lifespan⁶⁷.

The programme has also helped to achieve other positive results. Permanent employment opportunities have been created in the new support services⁶⁸. By reducing the number of homeless people on the streets, the participating cities have managed to reduce the number of street disturbances and create a greater sense of security⁶⁹.

PAAVO I also reached its objective to build 600 new dwellings for young (aged 16-25) homeless people – these dwellings are already included in the total number of 1519 new dwellings). Support services were also provided to 500 young people in need, as originally targeted⁷⁰. Similarly, the prevention programme in suburban areas was successfully launched. It involved the hiring of 12 advisers and two researchers⁷¹.

Going forward, PAAVO II continued to stimulate the residential construction market and reached its target of developing the housing supply through a programme of residential construction, as shown in Table 5.

Table 5: Objectives vs Results, PAAVO II

City	Objectives	Results
Helsinki	<ul style="list-style-type: none"> • 750 dwellings or supported housing apartments for the long-term homeless 	424 dwellings completed and 226 additional dwellings in scattered housing plus 285 youth dwellings completed, and 382 evictions cancelled. Shelter system was discontinued.
Vantaa	<ul style="list-style-type: none"> • Acquiring 85 dwellings • 100 newly built dwelling places 	Completion of 136 dwelling
Espoo	<ul style="list-style-type: none"> • Constructing 125 dwellings and organising support for the long-term homeless 	118 apartments completed, 75 youth dwellings and 455 dwellings from the city's liability were allocated to homeless. Other organisations allocated 120 dwellings and 178 evictions were avoided.
Tampere	<ul style="list-style-type: none"> • 120 dwellings for the homeless from the city's social rental housing stock • 106 dwellings or supported housing apartments for the long-term homeless 	Completion of 26 dwellings and allocation of 271 additional dwellings and 32 evictions cancelled.
Lahti	<ul style="list-style-type: none"> • Providing 58 dwellings or supported housing for the long-term homeless Shelter housing to be discontinued 	Acquisition of 92 dwellings or dwelling places, allocation of 437 additional

City	Objectives	Results
		dwellings to homeless.
Turku	<ul style="list-style-type: none"> Allocating 20–30 dwellings or supported apartments annually for the long-term homeless or those under threat of homelessness 	Allocation of 203 separate dwellings
Jyväskylä	<ul style="list-style-type: none"> Acquiring 12 dwellings for long-term homeless young adults 	Completion of 16 dwellings and allocation of 12 dwellings to youth long-term homeless. Allocation of 178 additional dwellings to scattered housing.
Joensuu	<ul style="list-style-type: none"> Among other things, launching the Housing Support Point, preventing youth homelessness, housing released prisoners and providing more housing advice 	Renovation of 18 dwellings, allocation of 110 dwelling to homeless, gift of 17 dwellings from other organisations and 7 evictions were cancelled.
Kuopio	<ul style="list-style-type: none"> Providing 55 apartments for the long-term homeless 	Completion of 90 dwellings and 46 evictions cancelled
Oulu	<ul style="list-style-type: none"> Among other things, creating and implementing an operating model for housing guidance and advice, developing preventive measures and providing novel housing solutions targeted at the long-term homeless 	21 dwellings allocated to youth
Pori	<ul style="list-style-type: none"> Allocating 60–80 dwellings for the long-term homeless from the rental housing stock Transforming the shelter for men into a supported housing unit Also increasing housing advice, among other things 	13 evictions cancelled and shelter service shut down and replaced by supported housing units

Source: Y-Foundation⁷²

In addition to these results, PAAVO II helped to further decrease the rate of the long-term homeless. For example, in 2008-2015, this rate fell by 24% in Helsinki and by 74% in Tampere⁷³. Other positive results were also achieved, for example, the introduction of housing advice in the city of Oulu⁷⁴.

As the Action Plan for 2015-2019 is still ongoing, more recent results and impact have yet to be assessed/published.

3.

Perspectives and lessons learned

It is widely acknowledged that the main achievement of Housing First is its lasting impact on homelessness. While other European countries saw their number of homeless rising, Finland achieved impressive results in this area thanks to this programme. According to the European Federation of National Organisations Working with the Homeless, the Housing First initiative is the only one that managed to achieve a decrease in the number of homeless in the European Union⁷⁵.

According to the CEO of the Y-Foundation⁷⁶, this achievement allowed the programme to demonstrate that addressing homelessness is possible. In other words, Housing First changed the way the problem was perceived until now.

According to the World Economic Forum, putting the transformation and increase of the housing supply at the centre of the strategy is both the key success factor for the programme and the key lesson to be learnt from the Finnish case⁷⁷. The programme indeed showed that the State can play an important role in stimulating the housing supply for social purposes.

The success of Housing First attracted a lot of international attention from both the media and public authorities around the world. National pilots to replicate the programme were subsequently launched in France, Belgium and Italy. Smaller scale (local level) pilot initiatives were also launched in Hungary, Spain, Ireland and the United-Kingdom⁷⁸.

According to the Special Advisor to the Finnish Ministry of the Environment and Manager of the Finnish Homelessness Strategy⁷⁹, we can also explain the internationalisation of the programme because it is very easy to replicate it – which could even be considered one of its main strengths. Housing First does not necessarily involve new

resources, but rather a reallocation of resources and a different approach and mindset.

Replicating Housing First also requires a change in mindset and a reallocation of resources, according to the CEO of the Y-Foundation⁸⁰. The Housing First concept goes against the typical culture in most current organisations that are trying to tackle the issue of homelessness. It became less of an issue as the programme evolved.

From the point of view of the public sector and civil society organisations, the programme is widely acknowledged as a success. Housing First indeed efficiently replaced the inadequate ‘Staircase Model’ and thus profoundly changed the housing supply for homeless that is now composed of permanent accommodation⁸¹.

According to a representative from the NGO “*Vailla Vakinaista Asuntoa*”, which acted as an implementing partner, pointed out that, over the course of the two programmes, the number of people in situation of great vulnerability kept on increasing. While the number of homeless decreases, the number of people at risk of becoming homeless is increasing⁸². It thus means that there might be a need to adjust the programme to include the people in situation of vulnerability.

Another key learning from PAAVO is the importance of addressing social exclusion to tackle homelessness⁸³. According to the CEO of the Y-Foundation⁸⁴, this lesson was learnt as approximately 20% of participants could not retain their house. The programme underestimated the difficulty of reintegrating some groups presenting specific risk profile such as substance abusers. Indeed, this specific group caused a series of troubles in their new neighbourhoods that sometimes led to the police having to intervene. Furthermore, they sometimes caused damage or simply did not use the financial support to pay the

rent for their social dwelling. More supportive and further adjusted measures are still needed to support and reintegrate this type of population. In fact, new solutions are currently being explored in the context of the new Action Plan. In addition, still according to the CEO of the Y-Foundation, new and more flexible housing offer should be developed to complement the existing housing supply⁸⁵.

From a service users' perspective, the programme is also seen very positively. Commentaries and testimonies from service users are abundant and

very positive. As an example, one female user of these services for example underlines the importance that these new types of home play in facilitating administrative procedures or restoring self-confidence⁸⁶. Other testimonies⁸⁷ all confirm that the core idea that underpins the Housing First principle was particularly relevant: providing permanent accommodation is the first step to permanently decrease homelessness.

4.

Conclusion and recommendations

Housing First has not yet managed to fully eradicate homelessness and long-term homelessness. However, the initiatives launched to implement and roll-out the Housing First principle have proven to be very effective in reducing homelessness. The programme has proven to be cost-efficient and sustainable. It has stimulated the construction market in difficult times, and it has helped to increase security within Finland's main cities. It is for these reasons that Housing First is a **5-star good practice measure**, using a scale of 1 (low) to 5 (high).

The key dimension to explain the programme's success is its ability to stimulate the housing supply. The state played an entrepreneurial role with the financing of new construction, acquisition of dwellings and refurbishment. This came at a right time as the market was going through a very difficult phase: the initiative thus played the role of a stimulus programme.

As time has passed, it has become clear that to fully address the problem of homelessness, one must also tackle the problem of social exclusion. The Action Plan is currently working to overcome this challenge. As it is still ongoing however, results and impact assessment data is not yet available.

Housing First also receives a 5-star ranking for transferability. This is supported by the international interest that the programme has generated⁸⁸. However, to replicate this programme successfully in another country or region, policymakers and their partners will need to confront the homelessness challenge with a different mindset. The key programme feature is to develop the housing supply as a priority to allow the provision of housing to the long-term homeless.

The validity of the Housing First approach has already been demonstrated outside of Finland. The adoption of the Housing First approach in other countries, such as Belgium⁸⁹, is evidence of its appeal and transferability, and supports its 5-star rating.

To support the transfer of Housing First to other EU countries and regions, three main recommendations are suggested.

First, the success of Housing First is dependent on the establishment of a large coalition of partners and stakeholders to implement and manage the programme. It demands a fresh mindset⁹⁰, which is a big challenge. It is an even bigger challenge in a large consortium. It is therefore essential to focus effort on communication and training to ensure that everyone understands and buys into the new approach.

Second, Housing First has demonstrated that the problems of homelessness and social exclusion should be tackled together, as they are closely connected. Social exclusion is a complex issue that varies based on local social dynamics. Addressing social exclusion is something that can only be addressed by local authorities. This is the reason why some countries that tried to replicate Housing First⁹¹ were less successful, because they did not sufficiently tailor their own version of the programme to local dynamics.

Third, new forms of support need to be found for specific sub-groups that need further support. Around 20% of beneficiaries were unable to keep the home they received. This was mainly because of a lack of adapted support to help them to reintegrate in society. So far, it is not clear what measures could address this issue.

Endnotes

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