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# Home – Ending Homelessness by 2027

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Juha Kaakinen

Tampere University, Finland

## Introduction

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This article is a summary of the report commissioned by the Ministry of Environment of Finland in October 2022. The report was handed over to Minister Dr. Maria Ohisalo at the end of January. After the parliamentary election in April, and after rather long negotiations, a new right-wing Government led by PM Petteri Orpo was installed in June. The programme of the new government includes a national programme to end long-term homelessness by 2027, with special emphasis on preventing youth homelessness. The programme states that this national programme will be implemented ‘immediately’. However, the whole programme of the Government includes several controversial, and even contradictory, measures that, if fully implemented, will seriously endanger reaching zero homelessness and will also eventually increase the risk of homelessness.

The task of the study was to identify how the objective of ending homelessness by 2027 can be achieved, what concrete measures are required to end homelessness, and what the role of the different actors responsible for achieving this objective is. In line with the terms of reference, the study has made use of available data from public authorities and research. Around 100 experts working on homelessness were interviewed or took part in discussions on the theme of the report.

The report describes the current state of homelessness and homelessness work in Finland, the starting points, and conditions for ending homelessness. It also presents concrete measures and recommendations for ending homelessness. The full version of the report in English has been translated and published by Y-Säätiö.<sup>1</sup>

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<sup>1</sup> <https://ysaatio.fi/wp-content/uploads/2023/05/Kotiin-Kaakinen-2023-en-final.pdf>

## Trends in Homelessness

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In the light of the statistics, homelessness in Finland has decreased continuously and significantly in recent years. Over the period 2008-2022, the number of people experiencing homelessness living alone has decreased by 54% and the number of long-term people experiencing homelessness by 68%, according to statistics from the Housing Finance and Development Centre ARA.<sup>2</sup> The decrease in homelessness in Helsinki is the main explanation for the trend in the country. The number of both people experiencing homelessness living alone and people experiencing homelessness in the long-term in Helsinki has decreased by 72%.

So, what explains the fall in homelessness? A structural factor is the supply of rental housing and the changes in supply and rent levels across localities. The long-term work supported by national programmes to develop homelessness services and the expansion of preventive activities, particularly housing advice, also explain the decline. The importance of the establishment of individual Housing First units and the acquisition of supportive housing can also be seen in the development of localities.

For the purposes of this report, the situation in November 2022 is provisional. It shows that there were 3686 people experiencing homelessness living alone and 1133 people experiencing homelessness in the long-term in Finland. The number of people experiencing homelessness decreased from 2021, with 262 fewer unhoused people living alone and 185 fewer long-term unhoused people than in the previous year. The number of families and couples experiencing homelessness was 155, which is 10 fewer than in 2021.

More critical to the objective of ending homelessness than the quantitative change is the change in the nature and target group of homelessness. When The Finnish National Programme to reduce long-term homelessness was launched in 2008, its key target group was people experiencing homelessness with multiple problems living outside and in hostels, whose main substance use was alcohol. The image of homelessness has changed rapidly in recent years. Now the hard core of homelessness is made up of severely marginalised people with multiple problems who are on the margins of or outside the service system. The average age of people experiencing homelessness has also fallen. The service system has not been able to respond adequately to this change in homelessness.

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<sup>2</sup> Every year, ARA collects cross-sectional data from municipalities on the situation on 15 November. The data is mainly collected from the registers of the social welfare and housing service registers and from the registers of applicants for housing of the municipal rental housing companies. The definition of homelessness in Finland is based on the broad pan-European Ethos light classification.

## What Does it Mean to End Homelessness?

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In the report, the starting point for the proposed measures is the following definition of ending homelessness:

*Homelessness has been effectively eliminated in Finland, with the annual cross-sectional statistics showing fewer than 300 homeless people. Of this number, no more than 100 in temporary accommodation (lasting less than one month) and no more than 200 temporarily living with relatives or acquaintances due to forced circumstances (lack of own accommodation).*

*By definition, there are no longer people living outside in Finland in this situation and no one is discharged from institutions as homeless. In addition, the period of residence in any temporary housing solution, including existing emergency shelters, emergency accommodation, dormitories or on the basis of fixed-term tenancy agreements, is limited to one month, after which a permanent housing solution must be provided (p.7).*

For critical target groups, such as those living outside and those discharged from institutions, real-time, individual-level monitoring is needed; cross-sectional statistics are not sufficient. Therefore, in the future, once homelessness is eradicated, the most important issue to monitor will be real-time, monthly reporting of data on persons in temporary housing solutions (less than 1 month).

### ***Changes in the operating environment***

Launched in 2008, the PAAVO programme aimed at a systemic change in homelessness policy and eradication of homelessness to a service system based on a permanent housing solution following Housing First principles instead of a step-by-step model based on temporary housing solutions. Although systemic change is still underway and elements of the staircase model are visible locally, a similar need for systemic change is not apparent. The 'Housing First' model as such needs updating, and this work has already been done with the 'Housing First 2.0' model.

Tackling homelessness is part of a policy to combat exclusion and reduce inequalities. The central premise of this report is to understand homelessness as a finite, societal problem with a permanent solution. The aim is therefore not to build a permanent, specialised service system for homelessness. Instead, a strong structural homelessness prevention package is needed.

The elimination target cannot be achieved by simply increasing the same, i.e., by resource increases alone. So, what are the drivers of change on which to build the necessary transformation in a situation where the welfare reform has rearranged the key 'building blocks' of the homelessness eradication ecosystem?

The eradication of homelessness is a social objective, the ownership of which is unequivocally in the hands of the public authorities. This ownership is already defined in legislation, but it has become particularly pronounced with the funding of wellbeing services counties<sup>3</sup> established in Finland at the beginning of 2023.

Ownership is also a crucial steering power for achieving the objective. Government ownership and control in this project can take the form of both legislation and resource management. In the context of previous reduction programmes, the emphasis on governance has been strongly on resource management and the financial incentives that go with it. The only real exception is the new pilot legislation on housing advice, but even this includes financial support as an important element.

State control of the wellbeing services counties is based on existing legislation and resource management. From the perspective of the objective of ending homelessness, resource management through financial incentives remains the preferred and most effective option. Financial incentives need to be sufficiently targeted and impact-based rather than performance-based. The need for more binding legislation should only be assessed if the measures currently proposed prove insufficient.

Wellbeing services counties are becoming a key element in the fight against homelessness. Homelessness can only be eliminated through permanent housing solutions, and housing remains of course the responsibility of municipalities. Yes, but people experiencing homelessness, especially those most in need of support and services, are totally dependent on the services provided by wellbeing services counties.

### ***Housing First 2.0 as a basis for work to end homelessness***

The Finnish Housing First model can be briefly summarised as follows:

The right to housing and the necessary support is part of a decent life and a fundamental right. The resolution of social and health problems is not a precondition for the provision of housing, but housing is a condition that also enables the resolution of other problems of a person experiencing homelessness. The starting point is, therefore, the allocation of housing to a person experiencing homelessness based on an own tenancy agreement of indefinite duration, without any preconditions. Housing should always be accompanied by the necessary support. The model emphasises the individual's right to self-determination and voluntariness; no change of lifestyle is required, but the approach is rehabilitative and support services must be actively offered to those who need them. However, housing and services are separated and living in the same dwelling can continue even if the need for support ends.

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<sup>3</sup> <https://stm.fi/en/wellbeing-services-counties>

In the Finnish model, the Housing First principle has been seen as a model to be developed and evolved, which must respond to changes in homelessness and the environment. To address the problems identified by experts and practitioners, the Housing First model was updated in Autumn 2019 as a result of a change laboratory facilitated by researchers at the University of Tampere and involving 30 experts.

The Housing First 2.0 model has identified the changing profile of homelessness, the need for more intensive support for clients and the need to better integrate social services into the work of the Housing First model. Of particular importance are all low-threshold services aimed at reaching and helping the most vulnerable and marginalised, as well as multi-professional outreach and mobile support.

The Nopsajalka<sup>4</sup> model of mobile support is a perfect example of this new Housing First 2.0 philosophy and its practical implementation. It also shows how multiprofessional support can be mobilised in a cost-effective way. The Nopsajalka model was created in 2019 in a Change Laboratory at the University of Tampere, which involved representatives from the City of Tampere's social and health services, housing services, and major third sector service provider organisations, and also drew on the experiences of Liitu activities in Pori. The Nopsajalka model has been further developed in Jyväskylä in a project launched in Autumn 2020. Professor Annalisa Sannino's working group's modelling is based in particular on Jyväskylä's Nopsajalka experience.

## **Proposals for action and recommendations**

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The report proposes a new national programme to end homelessness in its current form by 2027 and to build an effective prevention entity. The programme includes the allocation of 3600 dwellings for people experiencing homelessness or people at risk of homelessness.

With targeted measures, the total number of people experiencing homelessness in 2027 will not exceed 300, of whom no more than 100 will be in temporary accommodation and no more than 200 will be temporarily staying with relatives and acquaintances while awaiting a permanent housing solution. The numbers refer to a real-time situation reported on a monthly basis. The programme aims not only to eradicate homelessness, but also to better integrate people experiencing homelessness into society through rehabilitation services and job opportunities.

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<sup>4</sup> <https://www.tuni.fi/en/news/nopsajalka-team-new-way-overcome-homelessness>

### ***Building a service system that protects against homelessness***

Ending up homeless is most often the result of a failure of the service system or the service system not reaching a person at risk of homelessness in time. A cross-sectoral prevention package will be built into the service system, including service coordination and an alert system to enable early identification of the risk of homelessness and the provision of assistance to prevent homelessness.

### ***Funding for the programme comes from several sources***

An additional €36 million in targeted funding for the implementation of the programme will be allocated to the wellbeing services counties for the programming period. Funding will be granted on the basis of applications and will be conditional on the wellbeing services counties, together with the municipalities in the area, having drawn up an implementation plan to eradicate homelessness. The amount of funding granted is linked to the commitment of the wellbeing services county and its municipalities to provide housing for the long-term homeless.

The funding may be used for outreach work and mobile support, as well as for support for permanent housing under the Housing First model, among other things. Funding can also be allocated to the recruitment of people with lived experience for the tasks described above, including housing support for released prisoners. Funding cannot be used for temporary accommodation.

### ***Measures needed to end homelessness***

#### **Restrictions on temporary housing**

During the programme period, temporary housing will not be increased, and its use will be limited to a maximum of one month. Temporary housing here refers to emergency shelter, emergency accommodation, crisis housing, temporary rental accommodation for the homeless, and 'evaluative housing'.

#### **Existing emergency shelters will be replaced by emergency housing services**

The use of dormitories with 'shared air' will be discontinued and replaced by facilities that provide adequate privacy. The shelter is not intended for long-term occupation. In the emergency housing service, the client's situation will be assessed and a housing solution will be found that meets the client's needs.

#### **The rapid re-housing model will be introduced nationwide**

The model of rapid re-housing has been tested in Espoo for people experiencing homelessness who can be referred to scattered housing. The model is based on a contractual cooperation with landlords, where the housing provided as quickly as possible is accompanied by a fixed-term (12 months) support to secure housing. Limiting temporary housing to one month requires mainstreaming this model and extending it to all permanent housing solutions.

### **Introducing and consolidating multi-professional mobile support in wellbeing services counties**

As a joint process between the participating wellbeing services counties and the Housing First Development Network, a comprehensive description of alternative approaches to multi-professional mobile support will be produced. The development work is based on the Nopsajalka modelling by Professor Sannino's research group. The regionally applicable models of multidisciplinary mobile support created as a result of the development work will be established in the wellbeing services counties.

### **Permanent housing solutions**

For permanent housing solutions, the starting point is primarily the use of the existing housing and property stock, where necessary through renovation. The use of the existing housing stock is justified both by the timetable for implementing the programme and by climate considerations. Any new construction should be primarily in the form of wood construction or energy-efficient low-carbon projects.

The individual dwellings required will be sourced from the following sources:

- ARA dwellings of municipal rental housing corporations and non-profit rental housing corporations,
- Dwellings of private institutional rental housing owners (direct and sub-rentals), or
- Dwellings of private landlords (direct and intermediate rentals).

For supported housing units under the Housing First principle, there is an additional need for groups in need of intensive support, such as people experiencing homelessness who use drugs or elderly people experiencing homelessness in the long-term. In the case of stand-alone units, the maximum number of dwellings will be 30. The preferred option is to implement the units as integrated units with other housing or as hybrid projects.

### **Housing advice**

The pilot legislation on housing advice came into force at the beginning of 2023. The pilot legislation extended housing advice to all forms of housing. The State subsidy for housing advice, granted by ARA, is now channelled to municipalities, which can also obtain the service from other providers.

Housing advice is also provided by NGOs and foundations as a STEA-funded activity. Housing advice is closely linked to social work, so it is also conceivable that the wellbeing services counties provides housing advice to the city. During the programming period, legislation will be prepared to safeguard the current multi-channel funding and delivery of housing advice.

### **Recommendations for regional action plans and further work**

The eradication of homelessness is entirely dependent on the work of the wellbeing services counties in partnership with the municipalities. More detailed plans must therefore be drawn up in the regions where there is the best expertise on regional needs. The national programme will create the conditions for the implementation of regional plans.

Ending homelessness requires the provision of effective housing and support solutions for critical client groups such as people experiencing homelessness using drugs, criminal justice clients, young people, and people using multiple services.

### **Discussion**

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Now, writing this in October 2023, the Government has published its proposal for the Budget of 2024. As expected, it includes several direct cuts in welfare benefits, including housing benefits. According to the estimates of the Ministry of Social Welfare and Health, the total impact of different cuts will hit young people in the age group 18-24 years and single parent families the hardest. Welfare cuts will also increase child poverty.

As the present government has the majority in the Parliament, most of the proposals for cuts will be implemented, although some of the proposals are likely to face constitutional problems in the Parliament. The Finnish economy is currently entering recession, which, according to economists, will probably be short-lived. However, the rapidly worsening crisis in the construction industry has already forced the Government to amend their planned measures to decrease affordable social housing production.

In the budget for 2024, there is an unspecified amount of funds reserved for ending long-term homelessness. The grants reserved in the State budget will be allocated by the Ministry of Social Affairs and Health. To which organisations and to which purpose these grants will be allocated is not clear yet. At the same time, the welfare agencies are struggling with serious underfunding from the State and a worsening lack of professionally qualified staff in many services. It remains to be seen if these grants will have the intended incentivising impact in welfare counties for necessary measures to end homelessness.

The next four years will be a real test for the sustainability of the systemic change in Finnish homelessness services. Although the institutional support seems to be waning, there are also some more hopeful signs. There has been very active development work going on in several cities and through the Housing First Development Network. A growing number of highly motivated and committed professionals on



the grassroots level are creating more bottom-up pressure in political decision making. The example of Nopsajalka mobile support can also trigger new activities in the welfare counties as they are desperately seeking new cost-effective models to rearrange their services.

With the present knowledge, it can be predicted that homelessness in Finland will still decrease for a couple of years. This happens mainly because the City of Helsinki is committed to implement their own plan to end long-term homelessness by 2025, and they are making clear progress with their targets. But after that, if all the measures the Government is planning are implemented, there is a highly elevated risk for the increase of homelessness, including family homelessness.

