ANALYSIS · UNITED STATES

What Housing First Can and *Cannot* Do

The argument is loud, but the evidence that Housing First keeps people housed is strong. Here's what Housing First reliably delivers, where it falls short, and what has to be funded around it.

By Step Up AVL

Published June 25, 2026 · Updated October 28, 2026

stepupavl.org

Sources & notes (21 linked documents) · PDF version

In this piece

8 sections

The model
What works
What it does not do
The money
The failure mode
The bigger number
Finland
Why it matters now

Few ideas in homelessness policy are read more carelessly than **Housing First**. One side calls it the proven answer. The other calls it a costly failure that lets people stay sick on the street. The better reading is that both sides are describing different parts of the same body of research.

We put that research to the test with two independent reviews, and the second wasn't allowed to use any source the first had used. They landed on largely the same conclusions. The reviews cited different papers, but both drew on some of the same trials, among them the founding New York trial and Canada's At Home / Chez Soi study. Their agreement shows the findings do not depend on any one write-up of those trials.

THE MODEL

What Housing First *actually is*

Housing First turns the older approach on its head. For decades the rule worked like a staircase. A person had to prove sobriety and complete treatment before they earned housing. They moved from the street to a shelter, then to **transitional housing**, and only then to a place of their own. Housing First treats that order as backwards. It offers a permanent home first, with no precondition. It makes the home the place where recovery can start, not the reward for getting well first.

In practice the model rests on a few pillars. One is housing right away, with few hurdles and no sobriety or treatment test. Another is the tenant's own choice over where they live and what help they accept. A third is keeping the housing strictly separate from the services. That means support is offered, never required, and missing a counseling appointment cannot cost someone their home.

One distinction matters most in the argument. Housing First was designed for people with high and complex needs, the **chronically homeless** minority who also live with serious mental illness, often along with an addiction. The model is delivered as **permanent supportive housing** with intensive services attached. Judging the model by a job it wasn't built for is a common mistake in the debate.

WHAT WORKS

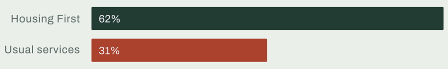
It keeps people housed, and that's *no small thing*

On its main job, the evidence is strong. In the founding New York trial, which ran from 1997 to 2001, the Housing First program kept about 80 percent of its participants housed. The people assigned to Housing First spent more time stably housed than the comparison group, whose housing required treatment and sobriety. Canada's At Home / Chez Soi study was a randomized trial across five cities with more than 2,000 participants. It found 62 percent of the people assigned to Housing First stably housed every night of the trial's last six months, against 31 percent of those assigned to the usual services. A 2020 systematic review in The Lancet Public Health drew on 72 articles, including reports on 15 studies of permanent supportive housing. It confirmed the pattern. People with high support needs who got permanent supportive housing were 1.42 times as likely as those who got the usual services to be stably housed six years later.

These effects have been reproduced across countries, study designs, and decades. This much isn't seriously in dispute: most of the people Housing First enrolls stay housed.

STABLY HOUSED, AT HOME / CHEZ SOI

Share housed every night of the trial's last six months



At Home / Chez Soi randomized trial (n=2,148), national figure; bars drawn to scale.

~80% Stayed housed in the founding NYC trial

1.42× More likely stably housed, high-need, 6 yr

72 Articles in the Lancet review, which covered 15 supportive-housing studies

WHAT IT DOES NOT DO

A home is *not a cure*

Here the evidence cuts against the model's loudest supporters. By itself, Housing First doesn't make people less addicted or less mentally ill. The founding trial found no difference between the two groups in alcohol use, drug use, or psychiatric symptoms. A 2019 analysis that pooled randomized trials also found no clear effect on mental health. The researchers' own summary comes down to this: use Housing First with confidence to get people housed, but don't count on it to fix addiction or mental illness.

This is a real limit, and on this point the critics are right. An apartment removes the chaos that makes treatment nearly impossible, but it is not treatment. The people Housing First serves still need clinical care. The model is explicit that such care is offered alongside the housing, never as a condition of keeping it. The mistake is to expect the housing to do the clinical work on its own.

> *The fairest reading is that housing alone doesn't fix addiction or mental illness, not that treatment should come first. No trial has shown that requiring sobriety keeps more people in stable homes than Housing First does.*

THE MONEY

The savings are real, and they are *concentrated*

Housing First is often sold as a money-saver, and the claim is true in a narrower way than the slogan suggests. The savings are concentrated in the highest-cost people, a minority who cycle through emergency rooms, psychiatric beds, and jail. For them, the savings on other services can more than cover the housing. All the trials behind these savings paired the housing with support services, so none of them shows what housing alone would save.

The Canadian trial makes the pattern clear. Clients with moderate needs had case managers rather than a full treatment team. For this group, the savings on other services covered only about 46 percent of what the program spent per person. That figure counts what society as a whole saved, not just governments. Overall, the program cost more than it saved for moderate-need clients. Even for high-need clients with the full team, the program only came close to paying for itself. For most of the tenants in the trial, Housing First wasn't a money-saver. It bought extra days of stable housing at a reasonable price.

Many headline savings come from before-and-after studies with no comparison group, and those studies tend to overstate the savings. People typically enter the program in a crisis, when they are using a lot of services. For many of them, costs would have fallen anyway. The Canadian trial measured its savings against a group assigned at random to the usual services, so that natural drop is already taken out.

The same 2019 analysis also pooled two U.S. trials and found that Housing First tenants were hospitalized markedly less often. In the Canadian trial, fewer psychiatric hospital stays were the largest single saving for the costliest tenth of participants. The researchers behind the 46 percent figure note that Housing First programs that raise caseloads or cut rent supplements may not see the same savings on other services.

A 2022 review for the CDC's Community Guide found that in U.S. studies, the typical result was about $1.80 saved on other costs for every dollar spent on the program. The review's strictest test kept only the better-quality studies. It also set aside those that picked heavy users of services, or whose comparison group came from a waiting list or was chosen for convenience. For the three studies that passed, the typical result was about $1.05, just above even.

46%	**~$56**	**0.76**
Program cost covered by savings on other services, moderate-need with case management	Cost per extra day of stable housing, moderate-need, in 2016 Canadian dollars	Hospitalization rate ratio vs usual services, two U.S. trials

THE FAILURE MODE

It goes wrong when the services are *stripped away*

Some Housing First failures are not failures of the model. They are failures to fund the model and to run it as it was designed. The expensive half of the model is the services. When a program keeps the cheap structural pieces (no preconditions, fast move-in) but barely funds the services, it quietly becomes something else: housing only. People are placed and then left without the help the model counts on, and they do worse.

The large rollout of Housing First for U.S. veterans showed exactly this shape. It scored high on the quick structural measures but fell behind on the services and recovery side. European researchers warn that programs labeled Housing First without following the model could give the approach a bad name. The practical warning for any community is simple: for high-need residents, never fund the housing without the services.

THE BIGGER NUMBER

Why the total *stays high* anyway

Even as Housing First works for the people it houses, national homelessness climbed for years. On a single night in January 2024, a record 771,480 people were counted as homeless in the United States. That was up 18 percent in a year, with chronic homelessness among individuals at an all-time high. The January 2025 count showed the first national decline since 2016, down to 745,652, but the drop came from families. The part this debate is about barely moved. Chronic homelessness among individuals rose 2 percent in the year to a new record, 81 percent above 2013. **Unsheltered** homelessness slipped 3 percent in the year but was still 36 percent above 2013, close to its 2024 record. If the model works, the argument goes, why are those numbers still so high?

Because the model and the count answer different questions. Housing First works on the outflow, the people it moves into homes. It does little about the inflow, the people still falling into homelessness. When rents outrun incomes, people become homeless faster than communities can house them.

The sharpest version of the critique comes from the economist Kevin Corinth. He found that adding permanent supportive housing barely moves the count at all. Across U.S. communities from 2007 to 2014, his estimates suggest it took 10 or more new beds to lower the homeless count by one person. One possible reason he gives is that some of the people placed in those beds would have found their own way out in time. Other possible reasons he gives include poor targeting, incentives to stay homeless, and people moving to places that add beds. Whatever the reason, the new beds did little to bring the count down.

745,652	**+36%**	**+81%**
Counted homeless in the U.S., Jan. 2025	Unsheltered since 2013, near record	Chronic homelessness among individuals since 2013, a record

FINLAND

Finland shows the count *can fall*, and rise again

Finland pushed its national count down for more than a decade, and how it did so is the clearest lesson in the debate. Its count of homeless people living alone fell from nearly 8,000 in 2008 to about 3,400 in 2023. Part of the drop came from a change in how Helsinki counted in 2018. Between 2012 and 2016, while the national count fell, homelessness was rising almost everywhere else in Europe. Long-term homelessness, which Finland's national strategy set out to halve, fell by about 70 percent from 2008 to 2024, by municipalities' own estimates. Finland's national report says those estimates may run low.

Long-term homelessness then rose 29 percent in 2025. The count of homeless people living alone rose in 2024, and again in 2025 to about 4,600, the largest one-year rise Finland has recorded. Finland is still the closest thing to proof that the total count can fall, and a warning that it can climb back.

But the lesson is not that Housing First is magic. Finland converted shelters into permanent apartments, invested in prevention, and expanded its supply of affordable and social housing through its national strategy. Housing First was at the forefront of the strategy's first phase, from 2008 to 2011. It remained essential later on, but as one of several approaches in a broader plan. A 2017 review of the strategy says its success came from political agreement, from coordinating local, regional and national policy, and from bringing together all the key organizations. Equally important, the review says, Finland made housing supply part of its effort to end homelessness. Without the apartments to convert and rent out, the model would have had nowhere to place anyone. For a place like Asheville, that means a whole community can bring its count down. But doing it depends on how much housing there is and what it costs, which Housing First alone cannot change.

Housing stability What the model was built to do, and its strongest, most replicated result. Most of the people it enrolls stay housed.	**Clinical recovery** No reliable effect on addiction or psychiatric symptoms. Housing is a base for treatment, not a substitute for it.
Cost For the highest-cost minority, savings can more than cover the housing when it comes with real services. For everyone else in the Canadian trial, the program was close to break-even, or worse.	**The total count** A national study found that adding permanent supportive housing lowered it only a little.

WHY IT MATTERS NOW

A settled answer, *suddenly contested*

Starting under George W. Bush, both parties more or less backed Housing First. That's no longer true. In 2025 the federal government began steering its homelessness money away from Housing First and toward programs that require treatment, arguing that the approach had failed. That argument runs against the research: the model being defunded is the better-proven one, and no trial shows the replacement keeps more people in stable homes than Housing First does.

That doesn't make the critics wrong about everything. Housing without the funded services isn't enough, and the street disorder driving the politics is real. The critics are also right that a rigid federal preference for one model crowded out useful alternatives. From 2013 on, HUD scored communities applying for its largest homelessness grant on how far their permanent supportive housing followed Housing First. And HUD generally stopped funding new transitional housing. Loosening that preference is fair. But loosening it is not the same as making a home conditional on treatment, a step the evidence does not support. The better-supported fix is to pay for the services alongside the housing. We trace the policy turn itself, and what it puts at stake in Asheville, in **Strings Attached**.

THE TAKEAWAY

The model works. The rest is a choice about what we're *willing to pay for*.

Housing First is a reliable way to end homelessness for high-need people, if it's funded. It is not a treatment for what made them sick, and not a sure way to save money. So the question is what has to be built and funded around it. Two things: a real treatment track for the minority that housing alone cannot reach, and enough affordable housing to slow how fast people fall into homelessness.

Will YOU step up?

Every group in our directory is local, vetted, and doing this work right now. Pick one and back it. →

Read next

Strings Attached

The 92 Percent Who Stayed

The Count Is Rising. The Money Is Already Here.

The library of 3,000+ vetted sources behind our reporting

Use my research →

Sources & notes, and any corrections, are with the piece online: **www.stepupavl.org/files/does-housing-first-work**