Housing First

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Housing First: Evidence, Economics, and the Case Against Housing as Commodity

A Unified Thesis on Prevention-Based Homelessness Policy, Foreign Investment in Residential Property, and the Structural Production of Housing Insecurity

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Author's Note

This paper exists because of Goal 9: *No foreign investment in housing. Houses are for living in. Not speculating on. Simple rule, massive impact.*

That sentence is nine words long. It should not require a paper. But here we are.

We live in a system where a person born in Sydney in 1998 has a lower probability of owning a home than a person born in Sydney in 1958 — not because there are fewer homes, but because homes became financial instruments. The median house price in Sydney was 4.1 times the median household income in 1980. By 2024, it was 13.3 times. The houses did not get 3.2 times better. The incomes did not get 3.2 times worse. What changed is who was allowed to buy them, and why.

Foreign investment in residential property does not build houses. It reprices them. When a house is purchased as an investment vehicle by someone who will never live in it, it is removed from the supply of housing and added to the supply of financial assets. The person who would have lived in it is now competing for a smaller pool at a higher price. Multiply this by hundreds of thousands of transactions and you have the Australian housing market: a country with 1.04 million vacant dwellings and 122,000 homeless people on any given night.

That is not a housing shortage. That is a distribution system designed to produce exactly the outcome it produces.

This paper makes two arguments that are really one argument:

First, that Housing First — providing unconditional permanent housing with voluntary supports — is the most robustly evidenced intervention for reducing homelessness, and that every country that has implemented it faithfully has achieved results that make the alternative look like malpractice.

Second, that Housing First becomes unnecessary when housing is treated as shelter rather than as an asset class. Finland did not just adopt Housing First. It built social housing. It regulated its housing market. It treated homes as places where people live. The Housing First results are real, but they are downstream of a more fundamental decision: housing exists to house people.

Goal 9 addresses the upstream cause. This paper documents the downstream evidence.

The barriers to both are identical: political cowardice and the protection of wealth concentration at the expense of human shelter. Every night someone sleeps rough in a country with a million vacant homes, that is not a failure of policy. It is a success of a different policy — one that was never voted on, never debated, and never named.

We are naming it.

— A. Applebee & L. N. Combe

Abstract

Homelessness persists across developed nations not because effective solutions are unknown, but because political ideology, moral intuition, and the financialisation of housing routinely override empirical evidence in policy design. This paper examines three interconnected failures: the persistence of the staircase (treatment-first) model despite four decades of evidence documenting its 80-90% failure rate; the refusal to adopt Housing First despite consistent evidence of 80-90% tenancy retention, cost savings of EUR 15,000 per person per year, and successful national-scale implementation in Finland; and the structural production of housing insecurity through foreign investment, negative gearing, and the treatment of residential property as a speculative asset class.

Drawing on Finland's national Housing First strategy (2008-present), the United States Pathways to Housing program, Canada's At Home/Chez Soi randomised controlled trial (N=2,148), and implementations across Europe, the paper documents that Housing First works better, costs less, and produces superior outcomes on every measured dimension. It then extends the analysis to the Australian housing crisis, where 1.04 million dwellings sit vacant while 122,000 people experience homelessness — an 8.5:1 ratio that makes the word "shortage" a policy fiction.

The paper argues that Housing First is a necessary intervention in a broken system, but that the system itself — one that permits and incentivises the treatment of shelter as a financial instrument — is the root cause. The evidence base for restricting foreign investment in residential property, abolishing negative gearing, and expanding social housing is examined alongside the Housing First evidence, and both are found to point to the same conclusion: housing is for living in, and every policy that treats it otherwise produces homelessness as a predictable, measurable, and entirely preventable outcome.

Keywords: Housing First, homelessness, Finland, staircase model, foreign investment, negative gearing, housing affordability, prevention, cost-effectiveness, housing policy, evidence-based policy,

Australia, speculative investment, social housing

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1. Introduction

Homelessness is, at its core, a housing problem. This statement, while self-evident upon reflection, represents a fundamental departure from decades of policy thinking that has framed homelessness as a consequence of personal moral failure — of addiction, laziness, mental illness, or some nebulous deficiency of character. The framing matters because it determines the response. If homelessness is a moral problem, the solution is moral improvement: sobriety, compliance, rehabilitation, and eventual readiness for housing. If homelessness is a housing problem, the solution is housing.

The distinction is not merely semantic. It is the difference between a policy architecture that has demonstrably failed for forty years and one that has demonstrably succeeded wherever it has been faithfully implemented. The traditional approach, known as the staircase or treatment-first model, conditions access to permanent housing on a series of prerequisites — sobriety, engagement with mental health services, demonstrated compliance with program rules. The alternative, known as Housing First, inverts this sequence entirely: provide permanent housing immediately and unconditionally, then offer voluntary supports to address other needs from a foundation of stability.

Finland adopted Housing First as a national strategy beginning in 2008. It is now the only country in the European Union where homelessness is declining. This is not a coincidence, nor is it attributable to some unique Finnish cultural characteristic that makes the model non-transferable. The evidence is consistent across geographies: Housing First works better and costs less than the alternative. The question is not whether Housing First is effective. The question is why, in the face of overwhelming evidence, most countries continue to pursue approaches they know do not work.

But there is a prior question, and it is the one this paper ultimately addresses: why does homelessness exist at scale in countries where there are more empty homes than homeless people?

Australia has approximately 1.04 million vacant dwellings (ABS, 2022). It has approximately 122,000 people experiencing homelessness on any given night (AIHW, 2023). That is a ratio of 8.5 vacant homes for every homeless person. The problem is not that there are too few houses. The problem is that houses have been converted from shelter into financial instruments, and the people who need shelter cannot compete with the people who need returns.

This paper seeks to answer both questions — why we do not do what works, and why we created the conditions that make it necessary — by synthesising the evidence base for Housing First, examining the Finnish implementation in detail, analysing the economic case, diagnosing the failure of the staircase model, documenting the structural production of housing insecurity through foreign investment and tax policy, and proposing an implementation framework with specific application to the Australian context. The aim is not merely academic. It is to make the case so clearly that continued inaction becomes indefensible.

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2. Literature Review

2.1 Historical Context of Homelessness Policy

Modern homelessness policy in Western democracies emerged primarily in the 1980s, when deinstitutionalisation of psychiatric facilities, cuts to social housing, and economic restructuring combined to produce visible street homelessness at a scale not seen since the Great Depression (Jencks, 1994). The policy response, in most jurisdictions, was shaped by two assumptions: first, that homelessness was caused by individual pathology (addiction, mental illness, antisocial behaviour); and second, that access to housing should be conditional on demonstrated readiness.

These assumptions produced the staircase model (also called the continuum of care, linear residential treatment, or treatment-first approach), which became the dominant paradigm in the United States, United Kingdom, Australia, and most of Western Europe through the 1990s and 2000s.

The timing is not coincidental. The same period that produced mass homelessness also produced the deregulation of housing markets, the withdrawal of public investment in social housing, and the emergence of residential property as the dominant vehicle for household wealth accumulation. Between 1980 and 2020, public housing construction in Australia fell by approximately 75% while house prices increased by over 700% in real terms (Groenhart & Burke, 2014; CoreLogic, 2024). Homelessness policy emerged not as a response to a natural phenomenon but as a response to a crisis produced by simultaneous policy decisions to defund housing supply and deregulate housing markets.

2.2 The Staircase Model

The staircase model operates on a linear progression:

1. **Outreach and engagement**: Street workers contact homeless individuals.
2. **Emergency shelter**: Individuals access temporary night shelter.
3. **Transitional housing**: Individuals move to staffed congregate living with rules and requirements (sobriety, curfews, program participation).

4. **Supported housing**: Individuals graduate to semi-independent accommodation with reduced oversight.
5. **Independent housing**: Individuals who maintain compliance eventually receive permanent housing.

At each stage, residents must demonstrate "housing readiness" — typically defined as sobriety, medication compliance, engagement with treatment, and adherence to facility rules. Failure at any stage results in regression to an earlier stage, or exit from the system entirely.

The model's logic appears intuitive, which is why it persists despite its record. It appeals to the moral sensibility that people should earn their housing through demonstrated effort and recovery. What the model actually does is use housing as a reward for capabilities that housing itself enables — a circularity that produces chronic cycling rather than stable outcomes.

2.3 Failure of the Treatment-First Paradigm

The empirical record on the staircase model is unambiguous: it does not work for the majority of homeless people. Studies consistently show that 80-90% of individuals who enter staircase programs never reach permanent housing (Tsemberis, 2010; Sahlin, 2005). They cycle between streets, shelters, emergency departments, and correctional facilities in a pattern that is both personally devastating and enormously expensive.

The reasons for this failure are well documented. Padgett, Henwood, and Tsemberis (2016) identify several structural problems:

- **Cognitive overload**: Homelessness produces chronic stress that impairs executive function, making compliance with complex program requirements neurologically difficult. Elevated cortisol degrades prefrontal cortex function, reducing the capacity for planning, impulse control, and sustained attention that staircase programs demand (Sapolsky, 2004).
- **Sobriety prerequisites**: Requiring abstinence before housing ignores the evidence that substance use disorders are chronic relapsing conditions best treated in stable environments. Demanding sobriety on the street is like demanding a person stop bleeding before you will take them to hospital.
- **Punitive structures**: Rule violations (positive drug tests, missed curfews, interpersonal conflicts) result in program discharge, returning individuals to the street and resetting their trajectory. The punishment for failing to demonstrate readiness is the removal of the conditions that would make readiness possible.
- **Institutional dependency**: Congregate shelters and transitional housing create environments that do not replicate independent living, leaving residents unprepared for tenancy even if they complete programs.
- **Temporal mismatch**: Recovery from severe mental illness and addiction is measured in years. Transitional housing placements are measured in months. The timeline of the intervention does not match the timeline of the condition it purports to address.

2.4 Origins of the Housing First Alternative

The Housing First model was developed by Dr. Sam Tsemberis at Pathways to Housing in New York City in 1992. Tsemberis, a clinical psychologist working with chronically homeless individuals with severe mental illness, observed that the staircase model's requirements were precisely what his clients were least able to meet. He proposed inverting the sequence: provide immediate access

to permanent, independent housing in scattered-site apartments, with voluntary access to clinical and social supports.

The model rests on several core principles articulated by Tsemberis (2010):

1. **Housing as a basic right**: Access to housing is not contingent on treatment compliance or sobriety.
2. **Consumer choice and self-determination**: Clients choose the type, frequency, and nature of supports they receive.
3. **Recovery orientation**: Recovery is defined by the client, not the provider.
4. **Community integration**: Housing is in scattered-site apartments within the general community, not in congregate settings.
5. **Harm reduction**: Substance use is addressed through harm reduction rather than abstinence requirements.

2.5 Existing Systematic Evidence

Multiple randomised controlled trials and large-scale quasi-experimental studies have established Housing First as an evidence-based practice. Key findings from meta-analyses and systematic reviews include:

- Housing retention rates of 80-90% at 12 months, compared to 40-60% for staircase programs (Aubry et al., 2015).
- Significant reductions in emergency department visits, hospital admissions, and days of incarceration (Ly & Latimer, 2015).
- Equivalent or superior outcomes on mental health and substance use measures compared to treatment-first approaches (Baxter et al., 2019).
- Cost-effectiveness or cost-neutrality relative to treatment-as-usual in virtually every economic evaluation conducted (Latimer et al., 2019).

2.6 The Financialisation Literature

A parallel body of literature, largely separate from the homelessness policy literature, has documented the transformation of housing from shelter into financial asset. Aalbers (2016) traces the "financialisation of housing" — the process by which residential property became integrated into global capital markets, subjected to speculative investment, and decoupled from its primary function as shelter. Rolnik (2019), the former UN Special Rapporteur on the Right to Adequate Housing, argues that the global housing crisis is not a crisis of supply but of financialisation — that housing has been "conquered by finance" and converted from a social good into a commodity.

The two literatures rarely speak to each other. Homelessness researchers study interventions for people without housing. Housing economists study the markets that determine who can afford housing. This paper argues that they are studying the same system from different ends, and that no intervention for homelessness can be fully effective without addressing the market dynamics that produce housing insecurity at scale.

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3. The Housing First Model

3.1 Core Philosophy

Housing First is not simply a program but a philosophical orientation toward homelessness. Its central insight is that housing is a precondition for addressing other needs, not a reward for having addressed them. This insight is grounded in Abraham Maslow's hierarchy of needs: physiological security and shelter are foundational requirements without which higher-order needs — belonging, esteem, self-actualisation — cannot be meaningfully pursued.

The practical implication is straightforward. A person sleeping under a bridge cannot maintain sobriety, manage complex medication regimens, attend appointments, hold employment, or rebuild relationships. The prerequisites for housing readiness under the staircase model are precisely the capabilities that housing itself enables. The staircase model, as Tsemberis argued, demands that people swim before they are allowed out of the water.

3.2 Operational Principles

Housing First programs share several operational characteristics:

Immediate access to permanent housing. Individuals are placed in permanent, independent housing as rapidly as possible, typically within days or weeks of program entry. There is no requirement for sobriety, treatment engagement, or demonstrated readiness.

Scattered-site, independent apartments. Housing is provided in regular apartments distributed throughout the community, not in congregate or institutional settings. This promotes community integration and normalises the living situation.

Separation of housing and treatment. Housing tenure is not conditional on treatment participation. Individuals cannot be evicted for refusing services, relapsing, or failing to meet clinical goals. The standard lease protections that apply to any tenant apply to Housing First residents.

Voluntary, flexible support services. Multidisciplinary teams (typically including social workers, nurses, psychiatrists, peer support workers, and housing specialists) offer services that residents may accept or decline. Services are adapted to individual preferences and needs.

Harm reduction approach. Substance use is addressed through harm reduction rather than abstinence. Active substance use is not grounds for program discharge. The goal is to reduce harm and support recovery as defined by the individual.

3.3 Distinction from "Housing Led" and Other Approaches

It is important to distinguish Housing First from approaches that use the label without implementing the model's core principles. "Housing Led" approaches, which have proliferated in the United Kingdom and Australia, often retain conditionality, use congregate housing, or make support engagement mandatory. These approaches may produce modest improvements over pure staircase models but do not replicate the outcomes of fidelity Housing First programs.

The defining feature of Housing First is unconditional access to permanent housing. Any program that conditions housing on sobriety, treatment, or compliance is, by definition, not Housing First, regardless of what it is called.

This matters because governments have learned to adopt the language of Housing First while retaining the structure of the staircase model. The result is programs that claim Housing First outcomes without delivering Housing First principles — a form of policy laundering that discredits the model by associating its name with inferior results.

3.4 Psychological Mechanisms

When a person receives stable housing, several interrelated processes begin:

- **Stress reduction**: Cortisol levels decrease as the chronic physiological stress of homelessness abates, restoring executive function and decision-making capacity. The prefrontal cortex, which mediates planning, impulse control, and future-oriented thinking, recovers function as the body exits survival mode.
- **Sleep normalisation**: Consistent, safe sleep improves cognitive function, emotional regulation, and physical health. Walker (2017) documents that chronic sleep deprivation — unavoidable without safe shelter — impairs every major brain and body system.
- **Identity restoration**: Having an address — a place that is one's own — restores a sense of personhood, dignity, and agency. The psychological impact of having a front door that locks, a space that is private, and an address that is yours cannot be overstated.
- **Practical enablement**: An address is required to receive mail, apply for employment, access government services, and register with healthcare providers. Without an address, a person is administratively invisible.
- **Social reconnection**: Stable housing provides a base from which relationships can be rebuilt. Isolation is both a cause and consequence of homelessness; housing interrupts the cycle.
- **Motivation**: Self-worth improves and intrinsic motivation increases when basic dignity is restored. The staircase model demands motivation as a precondition; housing provides the conditions from which motivation emerges.

From this foundation, engagement with treatment for addiction, mental health, and other issues becomes genuinely possible rather than theoretically demanded.

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4. The Finnish Case Study

4.1 Background and Context

Finland occupies a unique position in international homelessness policy. It is the only country in the European Union where homelessness is declining. This outcome is not attributable to demographic luck or economic windfall but to a deliberate, national-level policy decision to adopt Housing First as the governing philosophy for homelessness response.

Prior to 2007, Finland operated a conventional staircase system. Homeless individuals progressed through emergency shelters, transitional accommodation, and supported housing, with permanent tenancy available only to those who demonstrated readiness. The outcomes were consistent with international experience: chronic cycling, high costs, and persistent street homelessness.

Finland's population is 5.5 million. Its GDP per capita is similar to Australia's. Its winters are harsher. Its welfare state is more comprehensive, but not incomparably so. The point is that Finland is not an outlier on any dimension that would make its results non-transferable. It is a

normal Northern European country that made an abnormal policy decision — to follow the evidence — and achieved abnormal results.

4.2 The National Strategy (2008-Present)

In 2007, the Finnish government commissioned an expert group led by Juha Kaakinen to evaluate existing homelessness policy. The group's recommendation was unequivocal: Finland should adopt Housing First as a national strategy. The government accepted the recommendation, and implementation began in 2008 under the name *Paavo* (Programme to Reduce Long-Term Homelessness).

The strategy comprised five interconnected elements:

1. Conversion of shelters to permanent housing. Finland systematically converted its existing shelter infrastructure into permanent supportive housing units. Emergency shelters and hostels were closed or refitted as permanent apartments. The logic was deliberate: temporary accommodation reinforces transience and dependency, while permanent housing provides the stability necessary for recovery. This was not merely an administrative reclassification; it represented a fundamental shift in the physical infrastructure of homelessness response. By 2016, Finland had eliminated virtually all of its traditional shelter beds, replacing them with permanent housing (Pleace et al., 2015).

2. Construction of new affordable housing. The government invested in new construction specifically designated for Housing First residents. This addressed the practical constraint that Housing First requires an adequate supply of affordable housing stock. Finland recognised that the model cannot work if there are no homes to provide, and it invested accordingly. Between 2008 and 2019, Finland built over 3,500 new affordable housing units specifically for this purpose.

3. Provision of voluntary support services. Housing was accompanied by optional — never mandatory — access to social workers, healthcare professionals, addiction counsellors, and employment support. The Y-Foundation, Finland's largest provider of rental housing for formerly homeless individuals, developed integrated support teams that operated from the principle of client self-determination. Residents could engage with services on their own terms, at their own pace.

4. Philosophical and institutional transformation. Finland did not merely change its programs; it changed its institutional culture. Bureaucrats, social workers, housing providers, and healthcare professionals were trained in Housing First principles. The philosophical shift — from "housing readiness" to "housing as a right" — was embedded in training, performance metrics, and organisational culture across the system.

5. Rigorous outcome measurement. The Finnish approach was distinguished by its commitment to continuous measurement and adaptation. Outcomes were tracked systematically, including housing retention, service engagement, health outcomes, and cost data. What worked was reinforced; what did not was adjusted.

4.3 Results

The outcomes of Finland's Housing First strategy are striking in their consistency and scale:

- **Long-term homelessness reduced by 35%** from 2008 baseline levels. By 2019, long-term homelessness had fallen from approximately 3,600 to 2,300, and the downward trend has continued.

- **Over 4,600 homeless individuals housed** in permanent accommodation through the program.
- **Rough sleeping nearly eliminated.** Finland has effectively ended the visible street homelessness that persists in comparable European countries. On any given night in Helsinki, the number of people sleeping rough is typically in the low double digits — in a city of 650,000.
- **Tenancy retention rates exceeding 80%.** The Y-Foundation, which manages over 18,000 apartments for formerly homeless individuals, reports that more than four in five residents maintain their tenancies over time. This figure directly contradicts the common objection that homeless individuals will "trash" their housing or fail to maintain tenancies.
- **Cost savings of approximately EUR 15,000 per person per year** compared to the staircase approach. These savings derive from reduced utilisation of emergency departments, hospitals, police services, courts, and emergency shelter beds.
- **Reduced emergency department presentations by 34%** among housed individuals in the first year (Kaakinen, 2019).
- **Reduced criminal justice contacts by 38%** in the same period.

4.4 The Y-Foundation

The Y-Foundation (Y-Saatio) deserves specific attention as the operational backbone of Finland's Housing First implementation. As the country's largest provider of affordable rental housing for people who have experienced homelessness, the Y-Foundation now manages over 18,000 apartments across Finland. Its operational model demonstrates that Housing First can be scaled from a program-level intervention to a system-level infrastructure.

The Foundation's tenancy retention rate of over 80% is particularly significant because it addresses the most common objection to Housing First: that formerly homeless individuals lack the capacity or motivation to maintain housing. The evidence shows that the vast majority of people, when given stable housing, take care of it. When people are given something of their own, they tend to value it.

The Y-Foundation also demonstrates that Housing First does not require extraordinary resources. Its apartments are modest — clean, functional, permanent. Not luxury. Not charity. Just housing. The Foundation operates at a cost per unit that is lower than emergency shelter provision, making the economic case as compelling as the humanitarian one.

4.5 Lessons from Finland

Several features of Finland's approach are worth emphasising for their transferability:

National-level commitment. Finland did not pilot Housing First as a small, marginal program. It adopted it as national strategy, with government backing, dedicated funding, and legislative support.

Infrastructure investment. The government recognised that Housing First requires housing and invested in both conversion of existing stock and new construction.

Culture change, not just program change. Training the entire system — not just frontline workers but bureaucrats, administrators, and policymakers — in Housing First principles was essential to sustained implementation.

Pragmatism over ideology. Finland adopted Housing First not because it was ideologically

fashionable but because the evidence showed it worked better and cost less. The government's framing was explicitly pragmatic: this is more effective and more efficient.

Integration with housing policy. Finland did not treat homelessness as separate from housing policy. The same government that adopted Housing First also invested in social housing, regulated its rental market, and maintained housing affordability as a policy priority. This integration is crucial and is the point most often missed by countries that attempt to adopt Housing First without addressing the housing market conditions that produce homelessness.

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5. Global Evidence: What Happens When You Actually Do It

5.1 United States: Pathways to Housing

The original Housing First program, Pathways to Housing, was established by Dr. Sam Tsemberis in New York City in 1992. Working with chronically homeless individuals diagnosed with severe mental illness, Tsemberis demonstrated that immediate placement in independent, scattered-site apartments with voluntary Assertive Community Treatment (ACT) team support produced dramatically better outcomes than treatment-first alternatives.

The landmark randomised controlled trial published by Tsemberis, Gulcur, and Nakae (2004) found that Pathways to Housing participants achieved an 80% housing retention rate at five years, compared to less than 30% for control group participants in treatment-first programs. Participants also reported greater choice, greater satisfaction with their living arrangements, and equivalent or superior outcomes on mental health and substance use measures.

The Pathways model was subsequently replicated across the United States, with the U.S. Department of Housing and Urban Development (HUD) and the U.S. Interagency Council on Homelessness eventually adopting Housing First as federal policy.

5.2 United States: Houston and the 100,000 Homes Campaign

Houston, Texas, is perhaps the most politically significant Housing First success story because it occurred in a conservative political context. Between 2012 and 2022, Houston reduced its homeless population by 64%, housing over 25,000 people through a coordinated Housing First approach. The city's Coalition for the Homeless implemented a data-driven system that tracked every homeless individual, matched them to available housing, and provided support services.

Houston's success refutes the objection that Housing First is a "liberal" program incompatible with conservative values. The program was supported by Republican and Democratic politicians alike, business leaders, and law enforcement — not because they had undergone an ideological conversion, but because the data showed it worked better and cost less than the alternative.

The 100,000 Homes Campaign, which ran from 2010 to 2014 across 186 US communities, demonstrated that the Housing First approach could be adopted rapidly and at scale. Communities that participated housed over 105,000 people, with chronic homelessness declining by an average of 30% in participating cities (Community Solutions, 2014).

5.3 Canada: At Home / Chez Soi

Canada's At Home/Chez Soi project (2009-2013) represents the largest randomised controlled trial of Housing First ever conducted. The study enrolled 2,148 participants across five cities (Vancouver, Winnipeg, Toronto, Montreal, and Moncton), randomly assigning them to Housing First or treatment-as-usual conditions.

The results, published across multiple peer-reviewed papers and summarised in the final report by the Mental Health Commission of Canada (2014), were unambiguous:

- Housing First participants spent 73% of their time stably housed, compared to 32% for controls.
- Every $10 invested in Housing First produced average savings of $9.60 in other public services for high-need participants, achieving near-complete cost offset.
- For the highest-need subgroup, Housing First generated net savings, with every $10 invested returning $21.72 in reduced service utilisation.
- Participants reported improved quality of life, community integration, and functioning.

The At Home/Chez Soi trial is significant because its scale, methodological rigour, and geographic diversity address the common objection that Housing First results from single-site studies may not generalise. The trial demonstrated consistent effectiveness across cities with different housing markets, demographic profiles, and service systems.

5.4 Canada: Medicine Hat

Medicine Hat, Alberta (population ~63,000), became the first city in Canada to end chronic homelessness in 2015. The city adopted a Housing First approach in 2009 and achieved "functional zero" — a state where the number of people experiencing chronic homelessness at any point is lower than the system's capacity to house them within 10 days.

Medicine Hat's success is significant for several reasons. It is a mid-sized Canadian city, not a wealthy metropolis. It has harsh winters. Its political culture is conservative. And it proved that ending chronic homelessness is not an aspiration but an achievable policy outcome, even in challenging conditions.

The city's approach combined rapid rehousing, permanent supportive housing, and landlord engagement programs. The total cost was approximately CAD 20 million over five years — less than the city estimated it would have spent on emergency services for the same population during the same period (Medicine Hat Community Housing Society, 2015).

5.5 United States: Utah

Utah implemented a Housing First program beginning in 2005 that initially reported a 91% reduction in chronic homelessness by 2015. While subsequent analysis revealed that changes in counting methodology inflated the reduction figure (the actual reduction was closer to 10% by revised counts; Cunningham, Gillespie & Anderson, 2015), the program nonetheless demonstrated several important findings:

- Housing retention rates of 84% at 12 months for chronically homeless participants.
- Estimated annual cost of $11,000 per person for Housing First versus $20,000+ per person for emergency shelter cycling.

- Significant reductions in emergency department visits and jail bookings among housed individuals.

Utah's experience is instructive both for its successes and its cautionary lessons. The inflated reduction figures, once corrected, were used by opponents to discredit Housing First itself — despite the fact that the underlying housing retention and cost data remained robust. The episode demonstrates the importance of transparent, rigorous measurement and the willingness of political actors to exploit methodological nuances to justify inaction.

5.6 European Implementations

Beyond Finland, Housing First has been implemented and evaluated across Europe, including:

- **France**: The Un Chez-Soi d'Abord program (2011-2016) demonstrated housing retention rates of 85% at two years and significant reductions in hospital and emergency service use. The program was subsequently expanded to 23 cities under national policy direction.
- **Denmark**: The Danish Homelessness Strategy (2009-2013) incorporated Housing First and documented a 30% reduction in street homelessness. However, Denmark's experience also demonstrates the limits of Housing First without adequate housing supply — reductions in chronic homelessness plateaued when affordable housing stock was exhausted.
- **Portugal**: Lisbon's Casas Primeiro program achieved housing retention rates of 83% and documented improvements in mental health and social integration.
- **Ireland**: The Housing First National Implementation Plan (2018-2021) reported housing retention rates of 88%.
- **Austria**: Vienna's neunerHAUS program, operating since 1999, has housed over 1,700 people with retention rates above 90%, demonstrating that Housing First principles work even in the context of a strong social housing system.

The European evidence base is notable for demonstrating that Housing First is effective across diverse welfare state configurations, housing markets, and cultural contexts.

5.7 Japan: The Invisible Homeless

Japan presents a distinctive case that illuminates the cultural dimensions of homelessness policy. Japan's officially reported homeless population — approximately 3,000 as of 2023 — dramatically understates the reality. The count excludes people living in internet cafes (an estimated 4,000-5,400 in Tokyo alone), people in unstable employment-linked housing (company dormitories tied to precarious work), and women experiencing hidden homelessness through survival relationships.

Japan's approach has historically relied on shame-based concealment rather than resolution. The cultural stigma attached to homelessness is so severe that many people experiencing it actively avoid detection, making official counts meaningless. The country's sparse adoption of Housing First principles (limited pilots in Osaka and Tokyo) has produced results consistent with international evidence — 80%+ retention — but has not been scaled because the political system does not acknowledge the scale of the problem it would need to address.

Japan matters for this analysis because it demonstrates the endpoint of the moral-framework approach: a society that has succeeded not in ending homelessness but in making it invisible. The staircase model, taken to its logical conclusion, does not solve homelessness — it hides it. And hidden homelessness is more dangerous, not less, because it removes the political pressure for structural change.

5.8 Evidence Synthesis

Across all implementations, several findings are consistent:

- Housing retention rates of 80-90%, compared to 40-60% for staircase approaches.
- Reductions in emergency department visits (typically 30-50%), hospital admissions (25-40%), and incarceration (40-60%).
- Cost-effectiveness or cost-neutrality relative to treatment-as-usual.
- Equivalent or superior outcomes on mental health and substance use measures.
- High levels of client satisfaction and perceived autonomy.

The evidence base for Housing First is now sufficiently deep and broad that its effectiveness is no longer a matter of reasonable debate. The question has shifted from "does it work?" to "why are we not doing it?"

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6. Economic Analysis

6.1 The Cost of Homelessness

Homelessness is extraordinarily expensive. The costs are distributed across multiple public systems, which obscures their magnitude but does not reduce it. A homeless individual in a typical Western city generates costs across:

- **Emergency departments**: Homeless individuals use emergency departments at rates 3-5 times higher than the general population, often for conditions (infections, injuries, exposure, complications of untreated chronic illness) that would not arise if they were housed. A single emergency department visit costs $500-$2,000 AUD depending on complexity.
- **Hospitals**: Inpatient hospitalisation rates for homeless individuals are 4-6 times higher than for the general population, with average lengths of stay 2-3 times longer. Hospital bed costs in Australia average $2,000-$3,000 per night.
- **Police and criminal justice**: Homeless individuals are disproportionately subject to arrest, often for offences directly related to their homelessness (sleeping in public, trespass, minor drug offences). Police contacts, court appearances, and periods of incarceration generate substantial costs. The average cost of a prison bed in Australia is approximately $400 per day, or $146,000 per year (Productivity Commission, 2024).
- **Emergency shelters**: Operating emergency shelters is labour-intensive and expensive, typically costing $30,000-$50,000 AUD per bed per year.
- **Social services**: Case management, crisis intervention, mental health services delivered in street or shelter settings are more expensive and less effective than the same services delivered in stable housing.

Studies consistently estimate that the annual public cost of a single chronically homeless individual ranges from $30,000 to $100,000 or more, depending on jurisdiction and the individual's service utilisation pattern (Culhane, 2008; Flatau et al., 2008). A 2019 study by Zaretzky and Flatau estimated the cost at $47,000-$67,000 per person per year in Australia specifically.

6.2 The Cost of Housing First

Housing First programs typically cost $15,000-$25,000 per person per year, comprising:

- **Rent subsidy**: The primary cost, varying by local housing market. In Australia, this typically ranges from $8,000-$18,000 per year depending on location.
- **Support services**: Assertive Community Treatment or Intensive Case Management teams, typically shared across 8-15 clients per team member.
- **Program administration**: Management, coordination, and overhead.

6.3 The Cost Comparison

The economic case for Housing First is straightforward:

Cost Category	Staircase/No Intervention (Annual)	Housing First (Annual)
Emergency department visits	$8,000-$15,000	$2,000-$5,000
Hospital admissions	$10,000-$30,000	$3,000-$8,000
Police/criminal justice	$5,000-$15,000	$1,000-$3,000
Emergency shelter	$15,000-$25,000	$0
Rent subsidy	$0	$8,000-$15,000
Support services	$5,000-$10,000 (ineffective)	$5,000-$10,000 (effective)
Total	**$43,000-$95,000**	**$19,000-$41,000**

Figures indicative, based on composite of Australian, North American, and European cost studies.

Finland's data showing approximately EUR 15,000 in annual savings per person is consistent with this framework. The savings come not from providing fewer services but from providing more effective services in a context (stable housing) where they actually work.

6.4 The Fiscal Multiplier

The economic case is further strengthened when second-order effects are considered. Housed individuals are more likely to gain employment, pay taxes, and contribute to local economies. Their children, if any, are more likely to attend school consistently, reducing long-term costs associated with educational disengagement. The fiscal multiplier on Housing First investment extends well beyond the immediate cost comparison.

Perlman and Parvensky (2006) documented that Denver's Housing First program reduced participants' public service costs by 72.95% — from an average of $43,239 per person per year to $11,694. The savings were concentrated in emergency services, corrections, and detox — precisely the services that are most expensive and least effective when delivered to people without stable housing.

6.5 Why "We Can't Afford It" Is Wrong

The objection that Housing First is unaffordable inverts the actual fiscal reality. The staircase system costs more than Housing First. Countries that do not implement Housing First are spending more money to achieve worse outcomes. Every year of inaction represents a net fiscal loss compared to the counterfactual of Housing First implementation.

The Australian government currently spends approximately $9.6 billion per year on housing and homelessness programs (AIHW, 2023), the vast majority directed toward emergency responses and

transitional services. Redirecting even a fraction of this expenditure toward permanent Housing First placements would generate both cost savings and dramatically improved outcomes.

As the Finnish experience demonstrates, Housing First is not charity. It is basic accounting.

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7. Why the Staircase Model Fails

7.1 The Psychological Inversion

The staircase model's fundamental error is psychological. It demands that people demonstrate capacities — sobriety, emotional regulation, organisational skills, interpersonal competence — that are precisely the capacities most impaired by homelessness itself.

Chronic homelessness produces a state of perpetual survival mode. The neurological effects are well documented: elevated cortisol impairs prefrontal cortex function, reducing executive capacity, impulse control, and future-oriented thinking (Sapolsky, 2004). Sleep deprivation — chronic and unavoidable for people without safe shelter — further degrades cognitive function, emotional regulation, and decision-making (Walker, 2017).

The ACE (Adverse Childhood Experiences) literature adds another dimension. Felitti et al. (1998) demonstrated that childhood trauma — abuse, neglect, household dysfunction — produces dose-dependent increases in adult health and social problems, including substance use, mental illness, and homelessness. Many chronically homeless individuals carry ACE scores of 4 or higher (the threshold at which health risks escalate dramatically). The staircase model asks people whose nervous systems were shaped by trauma to demonstrate the calm, regulated behaviour of people who were not traumatised. It is not an intervention. It is a filter that selects for people who did not need the intervention.

Requiring a person in this state to "prove readiness" for housing is, as the Housing First literature repeatedly observes, like requiring someone to swim before they are allowed out of deep water. The staircase model does not merely fail to help; it actively sets people up for failure and then attributes that failure to personal deficiency.

7.2 The 80-90% Failure Rate

The most damning indictment of the staircase model is its outcomes. Studies consistently show that 80-90% of people who enter staircase programs never reach permanent housing. They cycle through the system — streets to shelter to transitional housing, relapse, back to streets, back to shelter — in a pattern that is as predictable as it is wasteful.

This is not an implementation problem. It is a design problem. The model is structured so that the majority of participants cannot succeed, because the conditions for success are the conditions that housing would provide.

If a medical intervention failed 80-90% of the time, it would be withdrawn. If a bridge failed 80-90% of the time, its engineers would be prosecuted. The staircase model fails at this rate year after year, and the response is not to replace it but to blame the people falling through it.

7.3 The Maslow Argument

Maslow's hierarchy of needs is not merely a theoretical framework; it is a description of how human motivation actually operates. Physiological needs (food, water, warmth, rest) and safety needs (security, shelter) must be adequately met before higher-order needs (belonging, esteem, self-actualisation) can be meaningfully pursued.

The staircase model asks people to address Level 3-5 needs (relationships with service providers, self-esteem through "proving readiness," self-actualisation through recovery) while their Level 1-2 needs (shelter, safety, food security) remain unmet. This is not merely difficult; it is, for most people in most circumstances, impossible.

Housing First aligns intervention with human psychology. By meeting Level 1-2 needs first, it creates the foundation from which Level 3-5 needs can be addressed.

7.4 Moral Justification as Policy Failure

The persistence of the staircase model, despite decades of evidence documenting its failure, requires explanation. The explanation is not empirical but moral. The staircase model survives because it satisfies a moral intuition — that housing should be earned, that assistance should be conditional, that people should demonstrate worthiness before receiving help.

This moral intuition is powerful, but it is wrong in its application to homelessness. As the evidence shows, conditioning housing on readiness does not produce readiness; it produces chronic homelessness. The staircase model does not hold people accountable; it punishes them for being unable to do what they cannot do. It is, as multiple researchers have observed, cruelty dressed as common sense.

The morally correct position is the empirically effective one: provide housing first, because it works and the alternative does not.

7.5 The Industry of Failure

There is a less comfortable explanation for the staircase model's persistence: it employs people. The homelessness sector in Australia employs tens of thousands of workers in shelters, transitional housing, crisis services, and emergency response. These workers are, overwhelmingly, dedicated professionals who entered the field to help people. But the system they work within is structured so that their jobs depend on a continuous supply of homeless people cycling through services that do not resolve their homelessness.

This is not a conspiracy. It is an emergent property of any system that funds activity rather than outcomes. The staircase model generates activity — assessments, placements, discharges, re-assessments, re-placements — without generating outcomes. The activity is funded. The sector survives. The people it serves do not.

Housing First threatens this structure because it resolves the condition rather than managing it. A person permanently housed does not need a shelter bed, a transitional placement, a crisis worker, or a cycle of assessments. The economic logic of Housing First — cost savings through reduced service utilisation — is also a threat to the revenue model of organisations funded by service utilisation.

This does not mean that Housing First cannot be implemented. It means that implementation must address the institutional interests aligned against it, including through retraining, redeployment,

and restructuring of funding models to reward outcomes rather than activity.

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8. The Australian Housing Crisis: A Manufactured Emergency

8.1 The Numbers

Australia's housing crisis is not a crisis of scarcity. It is a crisis of distribution, speculation, and political choice. The numbers tell the story:

- **122,494 people** experience homelessness on any given night (ABS Census, 2021; AIHW estimate).
- **1,043,776 dwellings** were unoccupied on Census night 2021 (ABS, 2022).
- **Ratio: 8.5 empty homes for every homeless person.**
- **Median house price, Sydney**: $1,627,625 (CoreLogic, December 2024).
- **Median household income, Sydney**: $122,148 (ABS, 2024).
- **Price-to-income ratio**: 13.3x — among the highest in the world.
- **In 1980**: The same ratio was 4.1x.
- **Social housing as proportion of total stock**: 4.2% (2023), down from 6.5% in 1991.
- **Social housing waitlist**: Approximately 175,000 households nationally (Productivity Commission, 2024).
- **Average wait time for social housing**: 2-10 years depending on jurisdiction and priority category.

The median Australian house price increased by 382% between 2000 and 2024 in nominal terms. Wages increased by 97% over the same period. The gap between the two curves is not a market outcome. It is a policy outcome, produced by specific decisions about taxation, foreign investment, credit supply, and the deliberate withdrawal of government from housing provision.

8.2 Where the Money Went

Between 1945 and 1980, Australian governments built approximately 500,000 public housing dwellings, housing roughly 1 in 10 Australian households. From 1980 onward, public housing construction was progressively defunded, with governments arguing that the "market" would provide.

The market did provide — for investors. Between 1996 and 2024, the proportion of Australian housing stock owned by investors increased from approximately 20% to over 30% (ATO taxation statistics, 2024). During the same period, home ownership rates for Australians aged 25-34 fell from 52% to 36%.

The policy architecture that produced this transfer is specific and identifiable:

- **Negative gearing** (see Chapter 10): Allows investors to deduct rental property losses against wage income, creating a tax subsidy for property speculation that costs approximately $12 billion per year in foregone revenue.
- **Capital gains tax discount**: The 50% CGT discount on assets held for more than 12 months, introduced in 1999, supercharged property speculation by halving the effective tax rate on investment gains.

- **Superannuation**: Self-managed super funds (SMSFs) are permitted to invest in residential property, channelling retirement savings into housing speculation.
- **Foreign investment**: Discussed in detail in Chapter 9.
- **Withdrawal from social housing**: Commonwealth funding for new social housing construction effectively ceased in the 1990s.

8.3 Indigenous Homelessness

Aboriginal and Torres Strait Islander Australians are approximately 10 times more likely to experience homelessness than non-Indigenous Australians. This disproportion is not incidental to the housing crisis — it is its most concentrated expression.

Indigenous homelessness has specific dimensions that generic Housing First models must be adapted to address:

- **Connection to Country**: Housing provision must respect the relationship between Indigenous people and their ancestral lands. Relocation to urban social housing may meet the technical definition of "housing" while violating cultural and spiritual needs.
- **Kinship obligations**: Indigenous Australian family structures involve obligations of hospitality that can produce severe overcrowding when housing is inadequate. A Housing First model for Indigenous communities must account for family and kinship group needs, not individual-level placement.
- **Intergenerational trauma**: The ongoing effects of the Stolen Generations, forced removals, and institutional racism produce compounding disadvantage that Housing First alone cannot address. Housing is necessary but not sufficient.
- **Remote community housing**: In remote and very remote communities, housing conditions are often appalling — overcrowded, structurally unsound, lacking basic amenities. The Housing First model, designed for urban contexts, requires fundamental adaptation for remote Indigenous communities.
- **Self-determination**: Any housing intervention in Indigenous communities must be designed and governed by Indigenous people and organisations. The history of top-down interventions in Indigenous affairs is a history of failure and harm.

Housing First for Indigenous Australians must be Indigenous-led Housing First, co-designed with communities and embedded within broader frameworks of self-determination, land rights, and cultural restoration.

8.4 Rental Market Dysfunction

Australia's private rental market has become hostile to low-income renters. National vacancy rates fell to 0.8% in 2024 (SQM Research), the lowest on record. In this environment, landlords can be selective, rents escalate rapidly, and any disruption — job loss, illness, family breakdown — can trigger homelessness because there is no margin and no alternative.

Rent as a proportion of income for low-income households has increased from approximately 25% in 2000 to over 40% in 2024 for the bottom quintile (ABS, 2024). The commonly cited "housing stress" threshold of 30% of income is now exceeded by the majority of renters in the bottom two income quintiles in Sydney and Melbourne.

For people exiting homelessness, the private rental market is effectively inaccessible. Landlords require references, employment history, and rental history that homeless people do not have. This

is why Housing First programs require dedicated housing stock — either social housing or subsidised private tenancies with landlord engagement programs — and why the absence of adequate social housing is the primary practical barrier to Housing First implementation in Australia.

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9. Foreign Investment and the Financialisation of Shelter

9.1 The Scale

Foreign investment in Australian residential real estate is substantial, though the precise figures are contested due to enforcement gaps. The Foreign Investment Review Board (FIRB) approved $36.5 billion in residential real estate applications in the 2022-23 financial year, down from peaks of over $70 billion in 2014-15 (FIRB Annual Report, 2023). These figures capture only approved applications and do not include investment channelled through nominees, trusts, corporate structures, or in violation of FIRB rules.

The FIRB framework nominally restricts foreign buyers to new construction, on the theory that foreign investment in new builds increases housing supply. In practice:

- **Enforcement is negligible.** The ATO's foreign investment compliance program identified just 1,800 properties held in potential breach of foreign investment rules in its most comprehensive review (2017-18). Given the scale of foreign investment, this represents a fraction of likely non-compliance.
- **New construction does not mean net new supply if it displaces construction that would have occurred anyway,** or if the properties are purchased and left vacant.
- **Vacancy rates in foreign-investor-heavy developments are significantly higher** than in comparable developments without foreign investor concentration. A 2017 Prosper Australia study found vacancy rates of 16-24% in Melbourne CBD apartment buildings with high foreign ownership, compared to a citywide average of 4.8%.
- **The "increases supply" argument assumes that supply increases reduce prices.** In markets dominated by speculative demand, supply increases may simply be absorbed by further speculation without reducing prices for owner-occupiers or renters.

9.2 The Mechanism

Foreign investment in residential property affects housing outcomes through several mechanisms:

Price inflation. Additional demand from foreign buyers, concentrated in specific markets (Sydney, Melbourne, Brisbane apartments and inner suburbs), raises prices. Corder and Roberts (2018) estimated that foreign demand accounted for approximately 3-8% of house price increases in Sydney between 2010 and 2016. While this figure appears modest in percentage terms, in a market where the median house price is $1.6 million, a 5% foreign demand effect represents approximately $80,000 — more than the median annual household income.

Vacancy. Properties purchased as investment or capital storage vehicles may be left vacant, reducing effective supply below nominal supply. Prosper Australia's Speculative Vacancies Report has documented consistently high vacancy rates in areas with high foreign investment, based on water usage data (properties using less than 50 litres per day are classified as vacant).

Market distortion. Foreign capital inflows create artificial demand signals that direct construction toward high-end apartments favoured by foreign buyers rather than the affordable housing types most needed by local residents. Melbourne's apartment construction boom of 2014-2018 produced tens of thousands of units, many specifically marketed offshore, while the social housing waitlist grew.

Wealth extraction. Rental income and capital gains from foreign-owned Australian property flow out of the country. The housing stock remains, but the economic returns are expatriated.

9.3 The New Zealand Precedent

In 2018, New Zealand enacted the Overseas Investment Amendment Act, banning foreign buyers from purchasing existing residential property. The legislation was straightforward: non-residents and non-citizens cannot purchase existing homes. New construction remained open to foreign investment.

The results are instructive:

- Foreign purchases fell by approximately 80% within 12 months of implementation (Statistics New Zealand, 2019).
- House price growth moderated, though it did not reverse — consistent with foreign investment being one of multiple demand drivers.
- The construction sector was not negatively affected; new construction starts remained stable.
- The policy was popular with voters across the political spectrum.

New Zealand's experience demonstrates that restricting foreign investment in housing is politically feasible, administratively straightforward, and does not produce the economic harms that opponents predict.

9.4 Singapore and Denmark: What Functional Housing Markets Look Like

Two countries demonstrate what happens when governments treat housing as infrastructure rather than as an asset class.

Singapore houses 80% of its population in public housing (Housing Development Board flats). These flats are sold on 99-year leases to Singaporean citizens at subsidised prices, with eligibility restrictions that prevent speculative accumulation. Foreign buyers are permitted to purchase only a narrow category of private property, at prices that include a 60% Additional Buyer's Stamp Duty. The result: Singapore has the highest home ownership rate among developed nations (approximately 88%) and virtually no homelessness. Housing is treated as a government responsibility to provide and a citizen entitlement to receive. The market exists, but it is subordinate to the policy objective of universal shelter.

Denmark operates a cooperative housing model in which approximately 33% of all Copenhagen residents live in housing cooperatives (andelsboliger). Cooperative members own shares in a housing association rather than owning individual units as private property. Share prices are regulated and cannot exceed a government-set maximum, preventing speculative gains. When a member leaves, their share is sold at the regulated price, not at market value. The result: housing in Copenhagen is expensive by European standards, but the cooperative sector provides a permanent stock of affordable housing that is insulated from speculative cycles. Denmark also restricts foreign

ownership of residential property — non-residents generally cannot purchase property in Denmark unless they have resided in the country for at least five years.

These are not utopian experiments. They are functioning housing systems in wealthy, market-oriented democracies. They demonstrate that treating housing as shelter rather than as a speculative asset is compatible with economic growth, individual choice, and high living standards. What they require is the political decision that housing exists to house people.

9.5 What the Evidence Says

The evidence on foreign investment in residential property is clear:

1. It increases prices in affected markets.
2. It increases vacancy rates.
3. It distorts construction toward investor-favoured segments rather than affordable housing.
4. It extracts wealth from the domestic economy.
5. It can be restricted without negative economic consequences, as New Zealand has demonstrated.

The policy implication is Goal 9: no foreign investment in housing. Houses are for living in. Not speculating on.

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10. Negative Gearing: Subsidising Speculation with Public Money

10.1 What Negative Gearing Is

Negative gearing is a provision of Australian tax law that allows property investors to deduct rental property losses (where costs exceed rental income) against their other income, including wage and salary income. The effect is that the Australian taxpayer subsidises the ownership of investment properties that do not cover their own costs.

In practice, negative gearing works as follows: an investor purchases a property with a mortgage. The mortgage interest, maintenance costs, depreciation, and other expenses exceed the rental income. The investor claims the loss as a tax deduction against their wage income, reducing their taxable income and their tax bill. The investor tolerates the annual loss because they expect to profit from capital appreciation when they eventually sell the property — and the 50% CGT discount ensures that this profit is taxed at half the normal rate.

10.2 The Cost

The annual cost of negative gearing to the Australian budget is approximately $12 billion per year in foregone revenue (Parliamentary Budget Office, 2023). The capital gains tax discount costs an additional $10 billion per year. Combined, these two provisions cost the Australian taxpayer approximately $22 billion per year — more than twice the total Commonwealth expenditure on housing and homelessness programs.

To put this in perspective: the Commonwealth could fund a comprehensive national Housing First program for every chronically homeless person in Australia for approximately $500 million per year

(25,000 people x $20,000 per person). This is 2.3% of the tax revenue foregone through negative gearing and the CGT discount alone.

The government spends 44 times more subsidising property speculation than it would need to spend to end chronic homelessness. That is not a resource constraint. That is a choice.

10.3 Who Benefits

The distributional effects of negative gearing are regressive. ATO data shows that:

- 73% of the value of negative gearing deductions accrues to taxpayers in the top two income quintiles.
- Taxpayers earning over $180,000 per year receive the largest average deductions.
- Taxpayers earning under $37,000 per year receive minimal benefit because their marginal tax rates are too low for the deduction to be valuable.

Negative gearing is, in effect, a transfer from all taxpayers (including low-income renters who will never own property) to high-income investors who are using the tax system to accumulate additional property wealth. It widens inequality, inflates house prices, and reduces the housing stock available for owner-occupiers and renters.

10.4 The International Comparison

Australia is virtually alone among developed nations in allowing unrestricted negative gearing across unlimited properties:

- **United Kingdom**: Mortgage interest on rental properties is not deductible against other income (reformed 2017-2020).
- **United States**: Passive activity losses from rental properties can only be offset against passive activity income, not wages (since 1986).
- **Germany**: Rental losses can be offset against other income but capital gains on property are taxed at full marginal rates (no CGT discount).
- **Canada**: Rental losses can be offset but capital gains on investment property are taxed at 66.7% inclusion rate (increased from 50% in 2024).
- **New Zealand**: Abolished interest deductibility on residential investment properties in 2021.

Australia's tax treatment of investment property is an international outlier. The combination of unrestricted negative gearing and a 50% CGT discount is, to our knowledge, unique among OECD nations.

10.5 The Policy Failure

The stated justification for negative gearing is that it encourages investment in rental housing, increasing supply and keeping rents down. The evidence contradicts both claims:

- **Supply**: The majority of negatively geared investment is in existing properties, not new construction. Only approximately 7% of negatively geared property investment goes into new housing supply (Daley, Wood & Parsonage, 2016). The rest simply reprices existing stock.
- **Rents**: There is no evidence that negative gearing reduces rents. International comparisons show that countries without negative gearing (UK, US, NZ) have comparable or lower rent-to-income ratios. When the Hawke government briefly abolished negative gearing in 1985-87,

rents rose in Sydney and Perth (which were already rising) but fell in Brisbane, Adelaide, and Hobart, suggesting the relationship is at best minimal and at worst nonexistent.

Negative gearing does not increase housing supply. It does not reduce rents. It inflates prices, concentrates wealth, costs $12 billion per year in foregone revenue, and provides its largest benefits to those who need them least. It is a policy that produces the opposite of its stated objective while transferring public money to private wealth.

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11. Generational Wealth Lock-Out

11.1 The Intergenerational Transfer

The financialisation of housing has created an intergenerational wealth divide that is unprecedented in Australia's post-war history. Home ownership has historically been the primary vehicle for household wealth accumulation in Australia. As house prices have outpaced incomes, access to this wealth vehicle has become progressively restricted to those who already hold property or whose parents do.

The numbers are stark:

- **Home ownership rate, 25-34 age group**: 52% (1981) → 36% (2021). A decline of 16 percentage points in 40 years.
- **Home ownership rate, 35-44 age group**: 74% (1981) → 58% (2021). A decline of 16 percentage points.
- **Home ownership rate, 65+ age group**: 82% (1981) → 82% (2021). No change.

The pattern is clear. Older Australians who purchased property before the affordability crisis have retained or increased their wealth. Younger Australians, who entered the housing market after prices decoupled from incomes, have been progressively excluded.

11.2 The Bank of Mum and Dad

The most visible symptom of the intergenerational lock-out is the "Bank of Mum and Dad" — parental financial assistance that has become effectively required for first home purchase in major cities. Digital Finance Analytics (2024) estimates that approximately 60% of first home buyers in Sydney and Melbourne receive parental assistance averaging $89,000.

This creates a self-reinforcing cycle:

1. House prices rise beyond the reach of single-income or dual-income households without existing wealth.
2. Parents who own property can assist their children. Parents who do not own property cannot.
3. Children of property owners enter the market. Children of non-owners do not.
4. The next generation's property ownership is determined not by effort, income, or merit, but by whether their parents bought property before prices detached from reality.

This is not a meritocracy. It is a hereditary wealth system with a 40-year lag. The child of a Sydney homeowner who bought in 1990 for $200,000 and now holds a property worth $1.5 million has access to inter-vivos wealth transfers that the child of a lifelong renter does not. The "effort"

that determines their relative positions was their parents' decision to purchase property in a market that had not yet been financialised.

11.3 Rent as Wealth Extraction

For those locked out of ownership, rent is not just a cost of living — it is a one-way wealth transfer from non-owners to owners. A renter paying $600 per week in Sydney transfers $31,200 per year to their landlord. Over a 30-year period, that renter will have transferred approximately $936,000 to property owners, adjusted for rent increases. At the end of that period, the renter owns nothing. The landlord owns a property that has appreciated.

The renter has paid for the property. They just do not own it.

This is the fundamental injustice that the housing crisis represents: a system in which one class of people pays for assets that another class of people owns. It is not a market failure. Markets are doing exactly what they are designed to do. It is a policy choice to structure housing markets so that shelter is a vehicle for wealth extraction rather than a human right.

11.4 The Mathematics of Lock-Out

The mathematics of the generational lock-out are worth stating explicitly because they reveal why the problem is self-reinforcing without policy intervention.

Assume a couple earning the national median household income of $105,000 per year, saving 20% of their gross income — $21,000 per year, an heroic savings rate by any standard. Assume they need a 20% deposit on the national median house price of approximately $900,000 — that is $180,000.

Time to save a deposit: 8.6 years.

But during those 8.6 years, if house prices continue to grow at the 20-year average of 6.8% per annum, the median house will have risen to approximately $1,442,000. The required deposit is now $288,400. The couple has saved $180,600 (assuming 3% interest on savings). They are further from home ownership than when they started.

This is not a savings problem. It is a mathematical impossibility when asset price growth exceeds savings capacity. The only escape is inherited wealth, parental assistance, or a partner who already owns property. The system has made home ownership conditional on existing wealth — the housing equivalent of the staircase model's requirement that homeless people demonstrate housing readiness before receiving housing.

Consider the comparison with Finland. Finland's price-to-income ratio for housing is approximately 7.5. Australia's is 13.3. Finland's social housing stock is approximately 13% of total dwellings. Australia's is 4.2%. Finland restricts foreign ownership of residential property. Australia does not meaningfully do so. Finland has no equivalent of negative gearing. Australia subsidises property speculation at $22 billion per year.

Finland ended homelessness. Australia manufactures it. The difference is not cultural. It is policy.

11.5 The Psychological Cost

The housing crisis produces measurable psychological harm beyond the material deprivation:

- **Reduced fertility**: Australia's fertility rate has declined from 1.93 (2000) to 1.50 (2023), with housing unaffordability consistently cited as a factor in delayed or foregone parenthood (AIFS, 2023).
- **Delayed independence**: The proportion of 25-29 year olds living with their parents increased from 21% (2001) to 31% (2021).
- **Civic disengagement**: Young Australians who perceive the system as structurally unfair are less likely to vote, volunteer, or participate in community organisations (Australian Election Study, 2022).
- **Mental health**: Housing stress is associated with increased rates of anxiety, depression, and psychological distress, independent of income (Baker et al., 2020).

The connection to homelessness is not abstract. The pipeline from housing unaffordability to homelessness runs through rental stress. A person paying 50% of their income in rent has no buffer. A single disruption — job loss, illness, relationship breakdown, an unexpected bill — and they cannot pay rent. Without savings, without family who can absorb them, without social housing (because the waitlist is 5 years), they are on the street. The staircase model then tells them they need to prove they are ready for housing. The system that took their housing demands they earn it back.

A generation locked out of housing is a generation locked out of the social contract. When the system demonstrably does not work for you — when you do everything right and still cannot achieve what your parents achieved with less — the rational response is disengagement. The political consequences of this disengagement are only beginning to be felt.

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12. Implementation Framework

12.1 Prerequisites for Housing First at Scale

Implementing Housing First as a system-level strategy, rather than a marginal program, requires several conditions:

Political will. Housing First cannot be implemented by service providers alone. It requires government commitment at the national or state level, including dedicated funding, legislative support, and bureaucratic alignment. Finland's success was possible because the national government committed to Housing First as strategy, not experiment.

Housing stock. Housing First requires housing. This is a tautology, but it is the most common practical barrier to implementation. Governments must invest in expanding the supply of affordable housing through new construction, conversion of existing stock (including shelters and transitional accommodation), and use of the private rental market with rent subsidies.

Service integration. Support services must be reorganised around the Housing First model. This means replacing treatment-first clinical models with voluntary, client-directed, community-based supports. Assertive Community Treatment (ACT) and Intensive Case Management (ICM) teams must be trained, funded, and deployed.

Philosophical shift. The entire system — policymakers, administrators, frontline workers, housing providers, and the public — must understand and accept the evidence that housing is a precondition for recovery, not a reward for it. This requires sustained investment in training, communication,

and cultural change.

Measurement infrastructure. Outcomes must be tracked rigorously and transparently. Service-level objectives should include housing retention, service utilisation, health outcomes, and cost data. Public dashboards should make outcomes visible and support continuous improvement.

12.2 Phased Implementation

Drawing on Finnish methodology and prevention-first design principles, a phased implementation is recommended:

Phase 1: Foundation (Months 0-6)

- Establish political commitment and legislative framework.
- Conduct asset mapping: identify existing shelter and transitional housing stock suitable for conversion, available private rental stock, and sites for new construction.
- Develop funding model, including reallocation of existing homelessness expenditure and new capital investment.
- Establish governance structures, including a citizen steering committee with lived experience representation.
- Begin training of frontline workers, administrators, and housing providers in Housing First principles.
- Define outcome metrics and establish measurement systems.

Phase 2: Pilot (Months 6-18)

- Begin conversion of shelters and transitional housing to permanent supportive housing.
- Deploy Housing First support teams (ACT/ICM) in pilot municipalities.
- Begin housing placements, targeting chronically homeless individuals with highest service utilisation (where cost offsets will be greatest).
- Monitor outcomes: housing retention, service utilisation, cost data, client satisfaction.
- Conduct red-team exercises to identify implementation failures and unintended consequences.
- Publish outcomes transparently, including failures and adjustments.

Phase 3: Scale (18+ Months)

- Expand to national coverage.
- Invest in new housing construction as conversion stock is exhausted.
- Integrate Housing First with broader homelessness prevention strategies (early intervention for people at risk of homelessness, tenancy sustainment programs, discharge planning from hospitals and prisons).
- Develop internationalisation toolkit for adaptation to other jurisdictions.

12.3 Prevention-First Design Principles

Housing First should be understood within a broader prevention-first framework. The most effective social interventions do not merely respond to problems after they occur; they cultivate conditions in which problems are less likely to arise. In the context of homelessness, this means:

- **Early intervention**: Identifying and supporting individuals at risk of homelessness before they lose housing — through tenancy support, financial counselling, family mediation, and mental health services.

- **System integration**: Ensuring that institutions that discharge people (hospitals, prisons, child protection systems, the military) do not discharge them into homelessness.
- **Community building**: Investing in the social infrastructure — belonging, connection, mutual support — that prevents the isolation and disconnection that precede homelessness.
- **Addressing root causes**: Tackling the structural drivers of homelessness, including housing affordability, income inequality, inadequate social protection, and underfunded mental health and addiction services.
- **Foreign investment restriction**: Implementing Goal 9 — no foreign investment in residential housing — to prevent the financialisation of shelter.
- **Tax reform**: Abolishing negative gearing and the CGT discount to remove the tax incentives for housing speculation.
- **Social housing investment**: Returning public housing construction to the levels of the 1960s-1970s, when governments built the housing stock that the market will not.

Housing First is not a substitute for prevention. It is the most effective intervention for those who are already homeless, and it should be embedded within a comprehensive system that also addresses upstream causes.

12.4 Addressing Common Objections

Implementation will encounter predictable objections. Evidence-based responses include:

"They'll trash the place." Studies consistently show that Housing First tenants maintain their homes at rates comparable to the general population. The Y-Foundation's 80%+ retention rate across 18,000 apartments provides large-scale evidence. When people are given something of their own, they value it.

"What about personal responsibility?" Personal responsibility requires the capacity for responsibility. Survival mode precludes it. Housing provides the stability from which responsibility becomes possible. Moreover, personal responsibility in policy should apply to policymakers: is it "responsible" to persist with approaches that cost more and work less?

"We can't afford it." As demonstrated in Chapter 6, Housing First is cheaper than the alternative. The question is not whether we can afford Housing First but whether we can afford to continue without it. The government spends $22 billion per year subsidising property speculation through negative gearing and the CGT discount. It would cost $500 million to end chronic homelessness through Housing First. The arithmetic is not complex.

"It rewards bad behaviour." Providing housing to homeless people no more "rewards" homelessness than providing insulin rewards diabetes or setting a broken bone rewards carelessness. Homelessness is a housing problem, not a moral condition.

"It won't work here — Finland is different." Housing First has been implemented successfully in the United States, Canada, France, Denmark, Portugal, Ireland, Austria, and Australia (in pilot form). It works across welfare state configurations, political cultures, housing markets, and demographic profiles. The claim of non-transferability is not supported by the evidence; it is an excuse to avoid doing what works.

"We should address the root causes, not just provide housing." This is not an either/or proposition. Housing First addresses the immediate crisis. The structural reforms proposed in this paper — foreign investment restriction, negative gearing abolition, social housing investment —

address the root causes. Both are necessary. Neither is sufficient alone.

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13. Discussion and Limitations

13.1 Strengths of the Evidence Base

The evidence for Housing First is among the strongest in social policy. It includes multiple randomised controlled trials (the gold standard of research methodology), large-scale quasi-experimental studies, national-level implementations with rigorous outcome measurement, and consistent findings across diverse geographies, welfare state configurations, and cultural contexts. The consistency of findings — 80-90% housing retention, cost-effectiveness, equivalent or superior clinical outcomes — across such varied settings provides strong confidence in the model's generalisability.

13.2 Limitations

Several limitations should be acknowledged:

Housing supply constraints. Housing First requires housing. In jurisdictions with severely constrained affordable housing supply (including most major Australian cities), implementation at scale requires substantial investment in housing construction. Housing First cannot work without housing to provide, and advocates must be transparent about this prerequisite.

Fidelity challenges. Not all programs that use the Housing First label implement the model with fidelity. Programs that retain conditionality, use congregate settings, or make support engagement mandatory may produce inferior outcomes while carrying the Housing First name. Fidelity measurement and quality assurance are essential.

Population limitations. The strongest evidence for Housing First pertains to chronically homeless adults with mental illness and/or substance use disorders. The evidence for other populations — families, young people, people experiencing homelessness for the first time — is growing but less robust. Housing First may need to be supplemented with additional interventions for some populations.

Political economy. The homelessness service sector has built institutional capacity, employment, and funding models around the staircase approach. Transitioning to Housing First disrupts these arrangements and may encounter resistance from stakeholders whose interests are aligned with the existing system.

Cultural transferability. While Housing First has been successfully implemented across diverse contexts, implementation must be adapted to local conditions, including housing market characteristics, welfare state structures, cultural norms, and the specific demographics of the homeless population.

Indigenous-specific considerations. The Housing First evidence base is predominantly drawn from urban, Western populations. Application to Indigenous communities requires fundamental adaptation, co-design, and a commitment to self-determination that generic Housing First models do not incorporate.

13.3 Barriers to Adoption

The primary barriers to Housing First adoption are not empirical but political and ideological:

Moral discomfort. The deeply held belief that housing must be "earned" conflicts with unconditional housing provision, even when the evidence shows that conditionality is counterproductive.

Political risk. Politicians fear being perceived as "soft" on homelessness if they adopt policies that provide housing without conditions, even if those policies are more effective and less expensive.

Incumbent interests. Existing service providers, shelters, and charitable organisations may resist a model that threatens their institutional survival, even when it would better serve their stated mission.

Property industry lobbying. The property development, real estate, and banking sectors benefit from high house prices, high transaction volumes, and favourable tax treatment. Policy reforms that would reduce house prices or restrict speculative investment threaten the most politically powerful industry in Australia. The Property Council of Australia, the Housing Industry Association, the Real Estate Institute of Australia, and the major banks collectively spend tens of millions of dollars annually on lobbying and political donations. Both major parties receive substantial funding from the property and finance sectors. This is not a hidden influence — it is the open, structural reason why neither party has meaningfully acted on negative gearing, foreign investment, or social housing construction despite decades of evidence and growing public concern.

Media complicity. Australian media coverage of housing overwhelmingly frames rising house prices as good news ("Sydney property prices reach record high!") and falling prices as a crisis ("Property market plunge threatens household wealth"). This framing treats housing as an investment class first and shelter second. It is not accidental. Australian media companies are heavily dependent on property advertising revenue. The real estate sections of major newspapers and news websites are among their most profitable segments. The editorial position follows the advertising revenue: housing as asset, not housing as shelter.

Ideology over evidence. Some policymakers and commentators prefer approaches that feel morally satisfying (requiring effort, rewarding compliance) over approaches that actually work. This preference for moral intuition over empirical evidence is the single greatest barrier to Housing First adoption. The staircase model persists not because it has evidence but because it has emotional logic — the deeply held sense that giving someone something for nothing is wrong, that suffering should be a precondition for relief, that people who fail deserve their failure. This emotional logic is comfortable. It excuses inaction. It assigns blame downward. And it costs more money, produces worse outcomes, and kills people who could have been saved.

The question that every objection must answer is this: if Housing First costs less, works better, and produces superior outcomes on every measured dimension, what is the reason for not doing it that does not reduce to "it makes me uncomfortable"?

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14. Conclusion

The evidence on Housing First is unambiguous. Providing unconditional permanent housing with voluntary wraparound supports is more effective, less expensive, and more humane than the staircase model that continues to dominate homelessness policy in most countries. Finland has demon-

strated that Housing First can be implemented at national scale, reducing long-term homelessness by 35%, housing over 4,600 people, nearly eliminating rough sleeping, retaining over 80% of tenants in stable housing, and saving approximately EUR 15,000 per person per year. Medicine Hat proved that a mid-sized city can end chronic homelessness entirely. Houston proved it can be done in a conservative political context. The At Home/Chez Soi trial proved it across five cities with 2,148 participants in the most rigorous evaluation ever conducted.

The staircase model, by contrast, fails 80-90% of the people it purports to serve. It demands the impossible — sobriety and stability without shelter — and then attributes the inevitable failure to the people it has failed. It costs more, achieves less, and inflicts suffering that is entirely avoidable. Its persistence is not a product of evidence but of moral intuition, political cowardice, and institutional inertia.

But Housing First is a treatment for a symptom. The disease is the financialisation of shelter. Australia has 8.5 empty homes for every homeless person. It spends $22 billion per year subsidising property speculation through negative gearing and the CGT discount. It permits foreign capital to purchase and warehouse Australian shelter as a financial asset. It has presided over a 382% increase in house prices while wages increased by 97%. It has reduced home ownership for young Australians by 16 percentage points in 40 years while maintaining it for those who bought before the crisis they created.

None of this is accidental. None of it is inevitable. All of it is the product of specific policy decisions made by identifiable people for identifiable reasons.

Goal 9 states the remedy: no foreign investment in housing. Houses are for living in. Not speculating on. Simple rule, massive impact.

The policy agenda that follows from the evidence presented in this paper is:

1. **Adopt Housing First as national strategy**, modelled on Finland's approach, with dedicated funding, legislative support, and outcome measurement.
2. **Ban foreign investment in existing residential property**, following the New Zealand precedent.
3. **Abolish negative gearing** for residential investment property, redirecting the $12 billion annual cost to social housing construction.
4. **Remove the 50% CGT discount** for residential investment property.
5. **Build social housing** at the scale of the 1960s-1970s — a minimum of 20,000 new dwellings per year for the next decade.
6. **Implement vacancy levies** on dwellings left unoccupied for more than 6 months, incentivising utilisation of existing stock.
7. **Co-design Indigenous housing responses** with Aboriginal and Torres Strait Islander communities, adequately funded and self-governed.

The Finnish model demonstrates that homelessness is a solvable problem. Not a problem that requires new research, new technology, or new moral frameworks. A problem that requires housing. And a system that stops treating housing as a casino chip.

The evidence is in. The model works. The numbers add up. The only remaining barrier is the will to act — and the willingness to confront the interests that profit from inaction.

Every year of inaction is a choice — a choice to spend more money to achieve worse outcomes, a choice to perpetuate suffering that could be prevented, a choice to prioritise the wealth of property

speculators over the shelter of human beings. Finland made a different choice in 2008. New Zealand made a different choice in 2018. Their results speak for themselves.

Housing first. Everything else follows.

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Appendix A: Cross-References to the OMXUS Research Series

This paper is No. 6 in the OMXUS Research Series. Below are the connections between this paper and others in the series.

Direct Dependencies

Paper	Title	Connection to This Paper
Paper 02	*The $19 Trillion Solution* (`../nineteen_trillion/`)	Provides the sovereign wealth funding mechanism for universal housing. The $4.43 trillion housing equity allocation eliminates homelessness structurally rather than programmatically, making Housing First unnecessary by removing housing scarcity entirely. This paper documents the evidence for why housing works; Paper 02 shows how to fund it at civilisational scale.
Paper 03	*Prevention Over Punishment* (`../prevention_over_punishment/`)	Establishes the prevention principle that this paper applies to housing: unconditional provision outperforms conditional gatekeeping on every metric, including cost. The staircase model (demanding recovery before stability) is the housing equivalent of the punitive justice model Paper 03 critiques — both systems invert Maslow's hierarchy.

Paper	Title	Connection to This Paper
Paper 04	*Universal Basic Income* (`../labor_economics_22nd_week/`)	Complements Housing First with income security. Finland implemented both Housing First and UBI trials. The combined evidence shows that when housing and income are unconditional, downstream costs collapse. Housing without income security is a ceiling without a floor.

Supporting Evidence

Paper	Title	Connection
Paper 05	*Drug Policy Reform* (`../drug_policy_reform/`)	Many people experiencing homelessness also experience substance use disorders. This paper argues for harm reduction within Housing First; Paper 05 provides the broader case for decriminalisation and evidence-based drug policy. The Portugal model (Paper 05) and the Finland model (this paper) both demonstrate that unconditional support outperforms punitive conditionality.
Paper 07	*Community Policing Alternatives* (`../community_policing_alternatives/`)	Homeless individuals are disproportionately subject to criminalisation. Paper 07's case for CAHOOTS-style community response models aligns with Housing First's evidence that stable housing reduces criminal justice contacts by 40-60%. You do not need police if people are not sleeping on the street.
Paper 09	*Food Toxicology and Safety* (`../food_toxicology_safety/`)	Goal 10 (food safety) intersects with housing: people without stable housing cannot maintain adequate nutrition, store food safely, or avoid the ultra-processed products that are cheapest and most available in emergency settings. Housing is a precondition for dietary autonomy.
Paper 11	*Play Deprivation* (`../play_deprivation/`)	Goal 12 (education as play) and Goal 11 (monkey bars at bus stops) require that children have stable homes. Children experiencing homelessness cannot learn, cannot play, and cannot develop. Housing First for families is a precondition for every educational intervention.

Thematic Connections

Paper	Title	Connection
Cooperative Capitalism	(../cooperative_capitalism/)	Proposes cooperative ownership models for housing that would prevent the financialisation dynamics documented in Chapters 9-11 of this paper. Cooperative housing removes the speculative motive entirely.
The OMXUS Solution	(../omxus_solution/)	The governance framework within which Goal 9 (no foreign investment in housing) would be implemented. Direct democracy (Goal 1) means citizens vote on housing policy rather than delegating to politicians whose donors are property developers.
Sanctuary Design Thesis	(../sanctuary_design_thesis/)	The brief-to-design framework from which the 14 goals emerge. Goal 9 traces to the lived experience of watching housing become inaccessible — not because there are too few homes but because homes were turned into financial instruments.
Constructed Guilt	(../constructed_guilt_thesis/)	Documents how systems attribute individual blame for structural failures. The staircase model's attribution of homelessness to personal moral failure is a specific instance of the constructed guilt pattern: blaming individuals for outcomes produced by policy architecture.
Social Group Scaling	(../social_group_scaling/)	Documents the community structures that prevent the isolation leading to homelessness. Dunbar's 150 ceiling is discredited (Lindenfors et al. 2021: CI of 2-520). The Ripple model replaces it: accountability = 1/distance, weighted by physical proximity. Mondragon, Swiss cantons, and Aboriginal governance work through proximity-based accountability, not fixed group caps. Housing First reconnects people to this proximity gradient.

The Convergence

Every paper in this series proves every other. If housing people unconditionally costs less and works better (this paper), and poverty is a design choice not a resource constraint (Paper 02), then every night someone sleeps rough is not an unsolved problem — it is an active institutional decision to spend more money achieving worse outcomes.

If the staircase model fails because it inverts Maslow's hierarchy (this paper), and the justice system

fails because it punishes symptoms rather than addressing causes (Paper 03), and drug policy fails because it criminalises health conditions (Paper 05), then the pattern is not coincidence — it is architecture. The system produces the outcomes it is designed to produce. Change the design, change the outcome.

Finland changed the design. The outcome changed. The evidence is in.

Full series index available in `../CONCLUSIONS.md`.

Paper No. 6 in the OMXUS Research Series (32 theses). Serves Goal 9: No foreign investment in housing. Houses are for living in. Not speculating on. Simple rule, massive impact.

Alex Applebee and L. N. Combe, 2026. OMXUS Research.