

# Cost Model for Furnishing Supportive Housing Units for the Homeless

## New Supportive Housing Units per Year in the U.S.

New **supportive housing** units (permanent housing with services for people exiting homelessness) are being added in the U.S. by the tens of thousands annually. Recent federal data indicate a substantial expansion of such housing: - **House America initiative (2022)**: Communities *added over 40,000* new affordable and supportive housing units to their development pipelines in a single year <sup>1</sup>. This was part of a national effort to house people experiencing homelessness. - **Ongoing annual growth**: Even outside special initiatives, the inventory of permanent housing for homeless people has been rising. Between 2022 and 2023, the national **permanent housing bed inventory** (including Permanent Supportive Housing and other programs) grew by about **6%** <sup>2</sup>. Given a base of several hundred thousand units, this percentage increase implies on the order of *~20,000–30,000 new supportive housing units* coming online per year.

These figures underscore that a significant number of new government-supported homes for formerly homeless individuals are created each year. We will use a working estimate of **~25,000–30,000 new units annually** for modeling purposes (recognizing that actual counts vary year to year and by program).

## Cost to Furnish Each Home via Furniture Banks

Furnishing a new apartment can be done very affordably by leveraging **furniture banks** (nonprofits that distribute donated furniture to those in need). Instead of buying all items new (which can cost a few thousand dollars per home), furniture banks use donated and recycled goods, keeping out-of-pocket costs low. **On average, it costs around \$1,000 or less to fully furnish one household** with essential furniture through a furniture bank model <sup>3</sup>. In fact, some furniture bank programs report that an investment of only about **\$500 in operating cost** can provide a family with an entire home's worth of furnishings valued at roughly \$1,300 (if bought retail) <sup>4</sup>. This high leverage is achieved by using gently-used furniture, volunteer labor, and in-kind donations.

For context, a case study in Atlanta found that buying even the bare minimum new furniture for a one-bedroom apartment would cost about \$1,340 <sup>5</sup>. By contrast, using donated items, the **effective cost** to the furniture bank (for collection, warehousing, delivery, etc.) can be kept at or below \$1,000 per home. We will use **\$1,000 per unit** as a reasonable upper-bound estimate for the furnishing cost in our model, in line with real-world furniture bank operations.

## Breakdown of Furnishing Costs per Household

What does \$1,000 cover? Table 1 below illustrates a basic **furniture package** for one household, with typical cost ranges as observed by furniture banks. This includes the core items needed to make an apartment livable:

| Item                       | Approx. Cost (Donated/Used) |
|----------------------------|-----------------------------|
| Bed (frame & mattress)     | ~\$300 – \$400              |
| Sofa/Couch                 | ~\$300 – \$400              |
| Dining Table               | ~\$300                      |
| Chairs (set of 4)          | ~\$240                      |
| Dresser/Storage            | ~\$150                      |
| <b>Total per household</b> | <b>~\$1,000 (roughly)</b>   |

**Table 1:** Example essential furniture package costs per home, using second-hand items. (Sources: Furniture Bank of Metro Atlanta’s cost analysis, e.g. a dining table ~\$300, chairs ~\$240, mattress ~\$250, dresser ~\$150<sup>6</sup> ; plus an average sofa cost of a few hundred dollars. These combined sum to on the order of \$1,000–\$1,300 for a basic setup<sup>5</sup> .)

*Note:* The above costs assume items acquired through thrift or donation channels (often free to the client, with costs incurred only for operations). If purchased new at retail, the equivalent furniture could easily cost 2–3 times more<sup>7</sup> . The furniture bank model thus dramatically stretches each dollar – for example, a \$1,000 expenditure can equip a home with a full set of furnishings that might retail for over \$3,000.

## Annual and 10-Year Furnishing Cost Projection

Using the above assumptions, we can **model the total cost** to furnish new supportive housing units each year, and project costs over a 10-year period, including modest replacement of furniture as units age. Key assumptions in this model: - **New units per year:** ~30,000 newly constructed supportive housing units (for formerly homeless individuals) come online each year, as a rough national estimate (consistent with the tens of thousands scale noted earlier). - **Cost per new unit:** \$1,000 to fully furnish each new unit (via furniture bank sourcing). - **Replacement rate:** 10% of existing units’ furnishings are “refreshed” each year. This simulates furniture wear-and-tear and turnover – e.g. roughly every 10 years a unit’s furniture is replaced. For simplicity, we assume the cost of a refresh is similar to initial furnishing (in reality, some units might only need one or two items replaced, but we use a conservative estimate). Replacement starts to kick in a few years after initial furnishing; in the model below we apply the 10% refresh rate from the second year onward.

**Table 2** projects the annual and cumulative costs under these assumptions:

| Year   | New Units Furnished | Units Refreshed (10%)    | Annual Cost (at \$1k/unit) |
|--------|---------------------|--------------------------|----------------------------|
| Year 1 | 30,000              | 0 (brand new)            | <b>\$30 million</b>        |
| Year 2 | 30,000              | 3,000 (10% of Year 1)    | <b>\$33 million</b>        |
| Year 3 | 30,000              | 6,000 (10% of Years 1–2) | <b>\$36 million</b>        |
| Year 5 | 30,000              | ~12,000 (10% of ~120k)   | <b>\$42 million</b>        |

| Year                  | New Units Furnished                   | Units Refreshed (10%)     | Annual Cost (at \$1k/unit) |
|-----------------------|---------------------------------------|---------------------------|----------------------------|
| Year 10               | 30,000                                | ~27,000 (10% of ~270k)    | <b>\$57 million</b>        |
| <b>Total (10 yrs)</b> | <b>300,000</b> new units (cumulative) | – (replacements included) | <b>~\$435 million</b>      |

**Table 2:** Projected cost to furnish new supportive housing units in the U.S. each year, plus replacement of 10% of prior furnishings annually. By Year 10, approximately 300k units have been furnished at least once, and about 135k cumulative refreshes have been done (some units getting a second round of furniture). The **10-year total** comes to roughly **\$0.4–0.5 billion**. This scenario is based on ~30k new units/year; if fewer or more units are built annually, costs would scale proportionately (e.g. at 20k units/year, the 10-year cost would be ~\$290M; at 40k/year, ~\$580M).

Despite spanning a decade and reaching hundreds of thousands of homes, these costs are **relatively modest in absolute terms**. For instance, the *first-year cost* in our scenario is only ~\$30 million nationwide – a tiny sum on the scale of federal housing expenditures (discussed next). By Year 10, annual costs rise as the inventory grows, but even ~\$50–60 million per year is not a heavy burden in the context of multi-billion dollar housing programs.

## Furnishing Costs in Context of Housing Budgets

To understand what share of resources this represents, we compare the furnishing costs to typical housing development and homelessness program budgets:

- **Cost per housing unit:** Developing new supportive housing is expensive – often on the order of \$200,000 (or more) per unit in capital costs. In comparison, **fully furnishing a unit (~ \$1,000)** is around *0.5% (one-half of one percent)* of the construction cost <sup>8</sup>. In other words, adding furniture barely changes the overall cost of creating a housing unit (it’s akin to an “amenity” that costs a penny on the dollar of the unit’s price). Even if furnishings were financed by housing funds, they would represent a **~1% addition to project budgets** to ensure each unit is move-in ready.
- **Annual housing programs:** The U.S. Department of Housing and Urban Development (HUD) spends tens of billions annually on rental assistance and homelessness programs. For example, the Housing Choice Voucher program’s budget is about \$33 billion per year. A one-time national initiative to furnish a significant share of assisted homes (say \$2 billion to furnish ~1 million units) would equal roughly **6% of just one year’s voucher budget** <sup>9</sup>. Spread over several years, the impact on any single year’s budget is even smaller – on the order of a **few hundred million per year**, which is trivial next to overall federal housing expenditures <sup>10</sup>.
- **Federal homelessness funding:** HUD’s Homeless Assistance Grants (which fund shelters, transitional and permanent housing programs) were roughly \$3.3 billion in FY2023. A furniture program costing, say, \$50 million a year would be about **1.5%** of that budget. In return, it could outfit all new supportive housing units and refresh many existing ones, multiplying the impact of those housing grants.

Another lens: furnishing one unit (~ \$1k) is about the cost of *1–2 months of rent* in an affordable unit. That small upfront investment can make the difference between an empty apartment and a functional home. Given that housing programs already subsidize rent and services that cost tens of thousands per household annually, allocating a one-time **0.5–1% extra** for furniture is a sound investment to protect the larger spending on housing support.

## Why Furniture Matters: Stability, Recidivism, and Well-Being

Directing a small share of housing dollars to furnishings is not just a moral or aesthetic choice – it has **tangible benefits for long-term housing stability and tenant well-being**. Research and on-the-ground experience show that providing essential furniture and household items to people exiting homelessness can significantly improve outcomes:

- **Enhanced housing stability:** A furnished unit is far more likely to feel like “home,” which increases the chances that residents will stay housed. Service providers report that **formerly homeless individuals in furnished apartments have better housing retention**; having beds, tables, and sofas helps people “put down roots” and reduces abandonment of units <sup>11</sup>. By contrast, those placed in barren units (nothing but four walls) may feel unsettled and are at higher risk of giving up the housing. One study noted that lack of furniture was a factor in some tenants *not sustaining their tenancies and eventually returning to shelters*, even under Housing First programs <sup>12</sup>. Simply put, **empty housing is not a home** – and that void can undermine the stability that housing is meant to provide.
- **Reduced returns to homelessness (recidivism):** Because furnishings improve stability, they can help reduce **recidivism to homelessness**. Agencies have found that addressing “furniture poverty” (the lack of basic home furnishings) can lower the likelihood that a household will break down and end up back in an emergency shelter <sup>12</sup>. In this way, a modest furniture investment can save costs down the line (fewer evictions, less use of crisis services). It is a preventative measure that supports the housing placement “sticking” for the long term.
- **Mental health and comfort:** An unfurnished living space can be depressing and stressful. Families have been found eating meals on the floor or sleeping on makeshift bedding for lack of furniture, which takes a mental and physical toll <sup>13</sup>. Providing beds, tables, and chairs has a **“considerable positive impact on mental health, financial security, and social wellbeing,”** according to the End Furniture Poverty campaign in the UK <sup>14</sup>. People report feeling an immense relief and improvement in outlook once their home is furnished. For example, formerly homeless individuals in a Detroit study described *“dramatic improvements”* in their quality of life and emotional attachment to their home after receiving furniture <sup>15</sup>. Having a proper bed to sleep on, a sofa to relax on, and a dining table to share meals restores a sense of normalcy and dignity.
- **Dignity and sense of home:** Beyond the utilitarian aspect, furniture provides **personal dignity and hope**. It sends a message that society expects you to live, not just survive. As one furniture bank client noted upon seeing beds for their children, *“They had a place to sleep... They had a bed. That was good.”* <sup>16</sup> Such basics empower people to take pride in their space and invest in their future. A well-furnished home allows someone who has experienced homelessness to invite friends or case managers over without shame, to care for their children properly, and to focus on rebuilding their

life rather than scrambling for a chair or mattress. This psychosocial benefit is harder to quantify but deeply meaningful.

In summary, allocating a **small fraction of housing funds to furniture** yields outsized returns in housing stability and human outcomes. The cost is low relative to overall program budgets – on the order of a few percent or less <sup>10</sup> <sup>8</sup> – yet the intervention directly addresses a critical gap that housing programs currently leave to charities. Virtually **0% of mainstream housing dollars are earmarked for furniture** under current policy <sup>17</sup>, leaving nonprofits to try to meet the huge need. Incorporating furnishings into the housing equation would align policy with what practitioners have learned: **four walls alone are not enough** for lasting success <sup>18</sup>.

## Conclusion: A Policy Opportunity to “Furnish” Success

The analysis shows that furnishing new supportive housing is **feasible at modest cost**, and that it can be framed as a prudent enhancement to homelessness reduction strategies. On an annual basis, the required funding would only nibble at large housing budgets (potentially **well under 1%** of total homelessness spending) while ensuring that each person exiting homelessness truly gets a *livable* home, not an empty shelter. Over a decade, a coordinated furnishing program could assist hundreds of thousands of households for a few hundred million dollars – a rounding error in federal housing appropriations, yet life-changing for each family served.

Importantly, this investment directly supports the goals of “**Housing First**” by addressing a key barrier to stability for the most vulnerable. It is widely recognized that housing is health and housing is safety; we now understand that **furniture is an essential part of housing**. As experts have argued, providing basic household items is “*transformational... a minimal investment compared to the social value created*”, with ripple effects in improved wellbeing and likely cost savings in other systems <sup>19</sup>.

Redirecting even a *small share of housing dollars to furniture* would amplify the impact of those housing dollars – helping to **reduce repeat homelessness, improve mental health, and restore dignity** for individuals and families who have come in from the streets <sup>12</sup> <sup>15</sup>. In budgetary terms, this is a **high-impact, low-cost** adjustment <sup>8</sup>. Policymakers can justifiably carve out a tiny percentage of housing capital or operating funds for furnishings, or provide grants to furniture banks, with confidence that this will enhance the overall success of housing programs. After all, the ultimate aim is not just to house people, but to keep them housed and thriving. Ensuring that every new home is a *furnished* home is a simple, cost-effective step toward that goal – one that promotes stability, respect, and hope for those starting a new chapter off the streets.

### Sources:

- HUD Annual Homeless Assessment Report (2023) – growth of permanent supportive housing inventory <sup>2</sup>.
- NLIHC report on House America initiative – new units added in 2022 <sup>1</sup>.
- “Furnishing Government-Supported Housing: A Deep Dive” (2025 policy analysis) – cost estimates and budget comparisons <sup>10</sup> <sup>8</sup>, extent of furniture funding gap <sup>17</sup>.
- Furniture Bank data (Atlanta and others) – cost to furnish a home (~ \$1k) and itemized costs (e.g. table \$300, chairs \$240, etc.) <sup>6</sup>.

- A Wider Circle/Furniture Bank research – effects of furniture on mental health and stability (e.g. reduced returns to homelessness) <sup>12</sup> <sup>15</sup> , quote on “empty housing is not a home” <sup>13</sup> .
- End Furniture Poverty (UK) findings – furniture provision’s positive impact <sup>14</sup> .
- Testimonies from furniture bank clients – importance of having a bed and basic furnishings for dignity <sup>16</sup> .

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<sup>1</sup> Biden Administration Helps End Homelessness for More Than 140,000 People Using Housing First Approach | National Low Income Housing Coalition

<https://nlihc.org/resource/biden-administration-helps-end-homelessness-more-140000-people-using-housing-first>

<sup>2</sup> HUD Releases 2023 Annual Homelessness Assessment Report | The NAHRO Blog: Legislative & Policy Updates from Washington, DC

<https://nahroblog.org/2023/12/19/hud-releases-2023-annual-homelessness-assessment-report/>

<sup>3</sup> "Receiving this amazing gift of free furniture in my new home really ...

[https://www.facebook.com/story.php?story\\_fbid=962205946107089&id=100069530781317](https://www.facebook.com/story.php?story_fbid=962205946107089&id=100069530781317)

<sup>4</sup> Giving Tuesday 2024 | Flourish: A Furniture Bank

<https://flourishfurniturebank.org/giving-tuesday-2024/>

<sup>5</sup> <sup>7</sup> <sup>8</sup> <sup>9</sup> <sup>10</sup> <sup>11</sup> <sup>14</sup> <sup>16</sup> <sup>17</sup> <sup>18</sup> <sup>19</sup> Furnishing Government-Supported Housing\_ A Deep Dive.pdf

<file:///file-N1UpJT4KASyRXSsdRC9BT5>

<sup>6</sup> The True Cost to Furnish a Home in Atlanta

<https://furniturebankatlanta.org/2024/02/28/the-true-cost-to-furnish-a-home-in-atlanta/>

<sup>12</sup> <sup>13</sup> <sup>15</sup> Furnishings, Mental Health, and Homelessness Recurrence (2025).pdf