

Understanding Master Leasing for People with Serious Mental Illness

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INTRODUCTION: This workbook defines and describes master leasing as a strategy for programs to support housing stability for people with serious mental illness. It outlines core program components and the types of housing models that are conducive to master leasing strategies. The workbook discusses the benefits, challenges, and strategies for success, and concludes with tips for people exiting the program and additional resources.

Defining Master Leasing

Master leasing is a housing strategy in which an organization, such as a government agency or nonprofit, leases units from a landlord or property owner on behalf of individuals with serious mental illness and other behavioral health needs who are exiting homelessness. In a master leasing program, the master leasing organization interacts directly with the property owner, pays rent, and provides housing and support services to tenants.

This strategy assists homeless individuals and families who have serious mental illness and face significant barriers to accessing and maintaining permanent housing by quickly connecting them to both housing and supportive services. The goal of master leasing is to create a stable, sustainable, and supportive living environment that helps tenants establish a positive rental history and prepares them for future independent leasing opportunities.

Multiple approaches to housing are important and necessary. Giving people a clear choice in finding housing is a critical part of a homeless response system.

Who Can Be Served with Master Leasing?

Master leasing programs serve tenants who may not qualify for housing in the competitive market. These programs provide case management and care coordination services to help tenants build stability and advance their recovery. Master leasing has proven to be a promising strategy for people with prior evictions, limited rental history, negative or no credit history, low income, or involvement with the legal system. Populations that benefit include people with serious mental illness, other mental health needs, substance use conditions, chronic homelessness, and disabilities.^{1,2}

How Master Leasing Programs Work

There are many ways to establish and implement a master leasing program. As with any housing strategy, implementation largely depends on local program design and resources; however, most master leasing programs share the following core components.

Financial Responsibility

The master leasing organization establishes a formal financial relationship with a property owner and assumes responsibility for rent payments that are usually paid monthly to the property owner, although other payment arrangements may be made. The master leasing organization's financial responsibilities also include covering rent during periods when units are vacant because of turnover between participants as well as managing evictions when necessary.

Participant Outreach and Identification

The master leasing organization establishes program requirements, identifies potential tenants, and ensures tenants meet those requirements. Fewer program entry requirements can help more people with serious mental illness access the program, achieve stability, and participate in care coordination services. Having the master leasing organization handle this part of the process appeals to property owners who want to keep units occupied with minimal turnover and avoid the burden of advertising and interviewing prospective tenants.

Property Management and Maintenance

The master leasing organization can provide property management services for units leased from the property owner. Agreements between property owners and master leasing organizations may vary, but property owners are usually responsible for certain maintenance costs and any major repairs to the unit. Property management staff are typically responsible for routine maintenance and for repairing any damage to the property caused by tenants. In addition, if a program participant vacates a unit for any reason, the master leasing organization can find a replacement tenant and address any minor repairs or maintenance needs before another participant moves in.

Care Coordination and Service Provision

Master leasing organizations provide care coordination to help tenants maintain housing stability and address their behavioral health needs. Care coordinators should visit tenants in their units to provide a variety of services, beginning with addressing immediate basic needs and progressing to longer-term support for recovery and well-being. Master leasing programs may also interview people who have been homeless and have a mental illness to help determine which services are most beneficial and identify service gaps.

Services should be offered at intake and throughout the program, reflecting a community-wide approach to support. Programs should prioritize life and tenancy skills so that the master leasing program serves as a safe environment where participants can practice them without risking housing. Master leasing programs can also connect tenants with nearby complementary services, such as supported employment, benefits assistance, and social and community connections, by partnering with other local service agencies and governments. Ideally, the service connections established through the master leasing program should remain available to participants after they leave the program.

Fair Housing Protections

All landlords, including master leasing programs, must provide protections for people with serious mental illness, substance use disorder, or co-occurring disorders. Federal laws prohibit housing discrimination based on these conditions, and additional state, county, or local laws may also apply.³ Master leasing care coordination staff can inform tenants of their rights when these protections apply.

“We measure our success not by the length of stay in the housing program, because that’s too easy . . . success is really measured by the levels of connection and engagement we have with the residents.”

—Master leasing provider

IMPORTANCE OF SEPARATING PROPERTY MANAGEMENT AND CARE COORDINATION

Staff other than those providing care coordination and case management services should perform the property management role. A care coordinator cannot simultaneously fulfill the responsibilities of both a care coordinator and a property manager because those roles may conflict in certain situations. For example, in a potential eviction situation, if a tenant decompensates and damages the unit, a property manager may prioritize maintaining the unit’s condition, whereas a care coordinator would prioritize the tenant’s well-being and ability to remain housed. Maintaining both a property management and care coordination presence on-site promotes accountability and helps maintain a high standard of living in the units.

PARTNERING WITH PUBLIC HOUSING AUTHORITIES AND PROPERTY MANAGERS

Some master leasing programs may not have experience in property management and may therefore need to expand their capacity to implement the program fully. One way to accomplish this is to partner with local public housing authorities and companies that already provide property management services. These organizations may contract with a master leasing program to train staff in property management or provide the property management services themselves.

Developing Master Leasing Programs

Master leasing programs include the core components discussed above. However, programs may differ considerably depending on local circumstances and decisions made during program development regarding housing availability, funding sources, scale, and lease terms.

Housing Availability

Key considerations when selecting a housing configuration include the availability of housing units and staffing. Identifying suitable property owners and housing units is the primary consideration.

Program Funding Sources

Most programs use multiple funding sources, such as state and local flexible funds, to ensure that all program components function effectively.

Scale

A master leasing program may operate within a single building or across multiple locations within a geographic area, often referred to as scattered-site housing. Housing configuration may include single-room occupancy units, individual apartments, or rooms in private homes. Some tenants may prefer living near others participating in the program, whereas others may prefer scattered-site housing that offers greater independence. Each approach has value, and offering different housing configurations provides tenants with meaningful choices.

Lease Terms

Master leasing programs may be designed to provide short-term housing for six months or temporary housing until tenants secure their own permanent housing. Some programs permit stays of one to three years. Others are designed so that tenants can move in, receive services, and then transition to a permanent lease for the same unit directly with the property owner. A tenant's length of stay may depend on restrictions associated with the rental assistance funding source, such as vouchers from a public housing authority or rapid rehousing program funding.

Master Leasing Housing Models for People with Serious Mental Illness

The following housing models can be used in master leasing programs:

Rapid Rehousing (RRH)

RRH participants are placed in housing units, where they may or may not pay rent while receiving services. RRH programs typically have a predetermined term, usually no longer than 2 years. At the end of their enrollment, participants must either move out or assume the lease from the master leasing organization.

Supportive Housing (SH)

SH programs provide housing and services for homeless individuals with a disability who need ongoing support. Participants become part of the surrounding community and may remain in housing as long as they comply with their lease terms.

Transitional Housing (TH)

Most TH programs provide comprehensive services to participants and allow them to stay in housing for up to 2 years.

Shared Housing

In shared housing programs, housemates work in partnership to share household responsibilities and rent expenses. Some participants report feeling safer or more willing to explore a new community because of the built-in emotional support and reduced isolation. This model can also help housemates develop conflict-resolution skills.

Benefits of Master Leasing

Master leasing programs have many benefits, including the following:

Expanded Access to Housing

Master leasing programs help individuals who face barriers in traditional rental markets to access housing more quickly. In tight housing markets, securing housing can be challenging for anyone, especially for individuals who have been homeless, have a serious mental illness, have low or no income, or have a poor rental history or poor credit history. Master leasing programs can cover move-in expenses, including the first month's rent, a security deposit, and other relevant fees to support participants.

Reduced Evictions

Case managers and care coordinators can work intensively with program participants, both up front and on an ongoing basis, to address challenges before they escalate to situations that require eviction. Master

leasing providers with multiple units may also be able to relocate tenants to units at other locations or to properties owned by different owners to achieve a better fit for all parties.

Enhanced Community Integration

Master leasing providers are typically well connected to local resources in the communities where their units are located. They connect participants with local libraries, nonprofit organizations, and community centers to help them integrate into the community and establish themselves in their new homes. In some cases, providers connect participants to one another when multiple units are leased within the same building or nearby.

Housing Stability and Long-Term Outcomes

Promoting housing sustainability is a critical component of master leasing programs. They offer participants the opportunity to exit homelessness and live in a supportive environment while building recovery, rental experience, and skills that prepare them for permanent housing. Some participants may also receive references from property owners or save money to use when they move into housing outside of the master leasing program.

Challenges of Master Leasing

Master leasing organizations and their tenants may encounter challenges, many of which can be minimized through careful planning during the project design phase and by identifying reasonable accommodations. This section discusses common challenges and suggests strategies to address them.

Choice of Housing Location or Type

Housing options may be limited because participants can choose only from units leased by the master leasing organization. As a result, participants may live in unfamiliar locations or in areas far from friends, family, or health-care providers. Master leasing organizations can help address these challenges by providing transportation to appointments or connecting participants with similar local resources.

Identifying and Engaging with Landlords

Organizations seeking to operate master leasing programs may face challenges in identifying landlords willing to lease units. Successful master leasing organizations often employ landlord engagement specialists to build relationships with property owners and maintain open communication. Property owners should receive timely communication, particularly when concerns arise, and their wishes for the property should be respected. These responsibilities should remain separate from care coordination, case management, and property management responsibilities to ensure each program functions successfully. Leaving property owner outreach up to program case managers can overwhelm staff and diminish service delivery to program participants.

“We are constantly recruiting new landlords.”
—Master leasing provider

Obtaining Flexible Funding

Obtaining flexible funding sources can be another challenge for master leasing organizations serving homeless individuals with serious mental illness. To secure housing units, programs often need funding to cover move-in expenses, including first and last month’s rent, security deposits, and related fees. Many successful master leasing programs have a mitigation fund to incentivize landlords to participate. Such a fund can cover damage caused by participants that exceeds normal wear and tear or unit maintenance. These funds offer peace of mind for property owners who may be hesitant to lease their property to a master leasing program.

Strategies for Successful Implementation

Recommendations to help ensure the successful implementation of master leasing programs include the following:

Outline an Approach to Care Coordination Services

Master leasing providers must determine which services they will offer and which services participants will have access to through partner agencies, emphasizing a strong behavioral health partnership. It is ideal to provide flexible, individualized support to help tenants develop and meet short- and long-term goals. Programs should clearly identify which agency will provide primary care coordination services, specifying whether the master leasing organization or a community behavioral health provider will fulfill that role. Because program participants will use services across the community, partner agencies should establish formal procedures for coordinating services.

Partner with Behavioral Health Organizations

Connections between master leasing organizations and behavioral health organizations are critical to assisting participants with serious mental illness. Access to behavioral health services is often limited when an individual is actively in crisis and moving from the street to a shelter. Stable housing provides both the time and opportunity to deliver more intensive services when needed.

Behavioral health organizations are also uniquely positioned to implement master leasing programs because of their access to mental health support. In addition to weekly care coordination meetings, behavioral health organizations participating in master leasing programs can provide specialized services for people with mental health challenges. They can also respond effectively to mental health crises that arise. For example, behavioral health organizations can refer individuals to treatment to stabilize them temporarily, rather than evicting them from their housing units.

Establish Policies and Procedures to Address Tenant Rights

Master leasing programs should establish policies and procedures to address tenant rights and challenges that may arise, including property management disputes, eviction procedures, and concerns about care coordination services. Outlining tenant rights, grievance and complaint procedures, and mediation procedures from the start can help master leasing programs balance their dual roles as landlord and service provider.

Master leasing program policies introduce an extra layer of complexity because participant rights issues and grievances may be directed to the landlord or the master leasing agency, depending on who is responsible for the issue. Agencies should develop processes that provide advocacy services on behalf of the participants when negotiating with the landlords, as well as grievance procedures for situations in which a participant's concern involves the master leasing agency. This can be done by carefully drafting a policy and procedure that clearly sets out the steps each entity must follow and specifies who is responsible for any issue.

As mentioned in the section on separating property management and care coordination, maintaining separate roles enables the care coordinator to advocate for participants, ensuring they receive support when addressing concerns with either the master leasing organization or the landlord.

Communicate and Engage Frequently

Master leasing programs maintain regular contact with tenants not only to connect them with services but also to monitor and maintain the condition of their housing units. These increased touchpoints create more opportunities to communicate, build trust, and monitor any changes in mental health. Consistent, in-unit engagement with the participant allows the organization to address issues, such as property damage, as they happen without fear of eviction. This approach also allows for more consistent, long-term service provision when the participant needs assistance most.

Provide Peer Support Services

Peer support workers provide many benefits to master leasing participants with serious mental illness. Peer support workers collaborate with care coordinators and case managers to support tenants, helping them set and achieve goals and celebrate successes. Together, this kind of care team can use a strengths-based, trauma-informed approach to recovery, wellness, and housing stability.

In addition to supporting care coordination and helping participants access services, peer workers serve as role models and mentors, offering their experience as examples of success in managing mental health conditions and maintaining independent housing. Connecting with a peer worker can help address the impacts of stigma, self-doubt, and hopelessness after an episode of homelessness. Peer workers often help keep individuals who have serious mental illness and a history of homelessness engaged in services and invested in their own growth and recovery. This helps participants maintain housing and build tenancy skills simultaneously. Peer support services can include accompanying tenants to appointments, connecting them with resources such as transportation or childcare, and identifying other helpful resources near the housing unit.

Moving On from Master Leasing Programs

Master leasing program tenants can exit the program under various circumstances. Most program exits should be planned to help tenants transition into a unit with a lease in their own name. However, there may be times when participants choose to leave the program without identifying another housing unit.

The particulars of program exits depend largely on the housing model used (e.g., RRH, shared housing, recovery housing). Regardless of the specific length of stay, finding permanent housing should become a priority once the program participant is stabilized and connected to services. Care coordinators can begin conversations early in the program about housing preferences, such as neighborhoods, amenities, and other aspects of independent living that are important to the participant. In some cases, participants will take over the lease for the unit they live in; more commonly, they will work with their care coordinator or the master leasing program's landlord engagement specialist to find a new unit when their enrollment in the master leasing program ends.

In summary, master leasing programs can provide people with serious mental illness the support and services needed to achieve long-term housing stability. By adopting the core components, housing models, and strategies for successful implementation outlined in this workbook, organizations can help homeless individuals who have serious mental illness secure and maintain stable housing with wraparound services.

Additional Resources

Washington State Health Care Authority. "Global Leasing." www.hca.wa.gov/billers-providers-partners/program-information-providers/global-leasing.

This article describes global leasing (also known as master leasing) as a housing strategy in which local governments, behavioral health agencies, nonprofit organizations, or other organizations lease housing units from property owners and sublease them to people who are homeless. The article explains the model's goals and benefits for tenants, landlords, and providers and emphasizes that this model can improve housing stability and access for people with behavioral health and substance use treatment needs.

Freed, Kris. "How Master Leasing Can Help the Affordable Housing Crisis." National Alliance to End Homelessness, 2022. <https://endhomelessness.org/blog/how-master-leasing-can-help-the-affordable-housing-crisis/>.

This article explains how master leasing can allow a housing authority or homeless service provider to lease units from property owners and sublease them to people who are homeless or face barriers to housing. The author notes that this model can increase opportunities for voucher holders or applicants with poor credit or an eviction history, thus expanding access to affordable housing while also providing landlords with a long-term leasing partner.

Batko, Samantha, Alyse D. Oneto, Katharine Elder, and Lynden Bond. *Master Leasing in Los Angeles: Opportunities and Limitations*. Urban Institute, 2022. <https://www.urban.org/sites/default/files/2022-08/Master%20Leasing%20in%20LA.pdf>.



This resource looks at how master leasing principles have been used in Los Angeles to address homelessness by allowing nonprofit organizations or government agencies to lease housing units from property owners and sublease them to people who are homeless or face barriers to housing. Different master leasing models are discussed, including their possible benefits and limitations, and recommendations for using this model to expand housing access.



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Endnotes

- 1 Batko, Samantha, Alyse D. Oneto, Katharine Elder, and Leyden Bond. Master Leasing in Los Angeles: *Opportunities and Limitations*. Urban Institute, 2022. <https://www.urban.org/sites/default/files/2022-08/Master%20Leasing%20in%20LA.pdf>
- 2 Diana T. Meyers and Associates. *Housing and the Sequential Intercept Model: A How-To Guide for Planning for the Housing Needs of Individuals with Justice Involvement and Mental Illness*. 2010. <https://www.dhs.pa.gov/docs/For-Providers/Documents/Behavioral%20Health%20Services/Housing%20and%20the%20Sequential%20Intercept%20Model%20-%20A%20How-To%20Guide.pdf>
- 3 Homeless and Housing Resource Center, *Fair Housing Protections for People with Serious Mental Illness, Substance Use Disorder, and Co-occurring Disorders*. August 2022. <https://hhrctraining.org/knowledge-resources>.