

## **SOCIAL HOUSING IN SLOVENIA**

Slovenia, like other central European countries in transition, has experienced major changes in the field of housing. Compared to them, the privatisation of the socially owned flats in Slovenia has been the most extensive. The ratio between individually owned flats and flats for rent prior to the privatisation of flats was reflected in the ratio 66.9% to 33.1%, and after the privatisation was completed, in the ratio 88% to 12% in favour of individually owned flats.

The withdrawal of the state from the field of housing resulted in a considerably smaller scope of housing construction and, therefore, in a shortage of flats. One of the central problems faced by the housing policy in Slovenia is the shortage of flats for rent since demand by far exceeds supply.

The classification of flats for rent in Slovenia is somewhat specific. The Housing Act adopted in 1991 distinguishes between flats that can be rented freely at market prices, non-profit flats which are part of the instruments of social policy in the field of housing and for which the rent is regulated by statute, and social flats for the low-income population.

There is no difference in the quality and the location between non-profit and social flats since uniform housing-construction standards are in force in Slovenia. The difference is merely in the persons who are entitled to rent these flats. Non-profit flats may, on the basis of a public notice to invite applications, be rented by persons who do not earn enough to buy their own flat or build a house but who are not materially disadvantaged. Social flats, however, are intended for those with the lowest income.

The role of the state in the social housing supply is concentrated in particular in its legislating activity – the Housing Act, the National Housing Programme, the National Housing Saving Scheme Act, the Public Fund Act, the creation of consulting bodies and in the provision of financial means that enable the Housing Fund of the Republic of Slovenia to carry out the national housing policy. This body is a legal person under public law with the rights and obligations as laid down by the Housing Act. By granting loans with a favourable interest rate and co-investing, it finances the national housing programme, encourages housing construction and the reconstruction and maintenance of flats and residential houses.

The key actors in the area of social housing supply in Slovenia are municipalities and non-profit housing organisations.

According to the Housing Act, it is the duty of municipalities to build social flats and allocate them for renting. In compliance with the municipal housing programmes municipalities build new flats, buy cheaper flats, exchange flats and reconstruct older flats. The framework for the operation of municipalities is provided by the state through the housing policy-making, legislation and finance frameworks. Municipalities take care of both non-profit and social flats.

The housing supply is also in the hands of non-profit housing organisations – legal persons established with the aim of ensuring the public interest in the field of housing. They acquire and let non-profit flats out for rent; important is their activity of managing the pool of their own flats as well as other flats. Because of the role they play, non-profit housing organisations enjoy special benefits such as: budget subsidies or endowments, advantageous loans raised with the Housing Fund of the Republic of Slovenia, municipal housing funds and municipal budgets; allocation of building plots, exemption from payment of fees and taxes, etc. They play an important role chiefly because they provide integrated supply in the field of housing, i.e. they acquire flats, let them out for rent and manage them.

Slovenia has a shortage of flats for rent at the moment and has been endeavouring to revive – chiefly by means of a new housing act currently under preparation – house building and reconstruction and better maintenance of flats. The endeavours of the state to provide sufficient housing supply, especially social flats, depend to a large extent, however, on the financial capabilities of the state.

(Source: SOCIAL HOUSING IN SLOVENIA, *Katja Ursic, Ministry of the Environment, Spatial Planning and Energy, (Slovenia)*, UNECE Workshop on Social Housing Prague, 19-20 May 2003)