

Pursuant to Article 142 of the Housing Act (Stanovanjski zakon, Uradni list RS [Official Gazette of the Republic of Slovenia] Nos 69/03, 18/04 – ZVKSES, 47/06 – ZEN, 45/08 – ZVEtL, 57/08, 62/10 – ZUPJS, 56/11 – Constitutional Court Decision, 87/11 and 40/12 – ZUJF)) and Article 109 of the Rules of Procedure of the National Assembly (Poslovnik državnega zbora, Uradni list RS Nos 92/07 – official consolidated text and 80/13), the National Assembly of the Republic of Slovenia at its session of 24 November 2015 adopted the

RESOLUTION **on the National Housing Programme 2015–2025 (ReNSP15–25)**

1. Introduction

The National Housing Programme (NSP) establishes an active housing policy through which the state will contribute to the achievement of targets defined in its development, spatial planning and social development programmes, to the regulation of the housing market and to the long-term provision of quality of life for the whole population. In drafting the new programme, public interest has been the guiding principle for establishing conditions that will offer a vast share of the population equal opportunities for addressing their housing needs. Four main targets have been highlighted that must be achieved in order to put in place an effective and balanced housing policy, and the measures necessary to achieve these targets have been defined.

Because of the volatile economic situation a five-year period has been set for implementing the National Housing Programme, which will allow for a realistic realisation of planned measures, and which will go hand in hand with the implementation of the Multi-annual Financial Perspective 2015-2025. The document focuses on four fields where priority projects aimed at stabilizing the housing supply in Slovenia will be implemented. Measures will be carried out in a chronological order; first actions will be implemented to establish conditions for efficiently achieving targets.

The implementation of the National Housing Programme will be monitored by a series of determined indicators linked to the implementation of measures and actions, and the achievement of the four main targets. The resulting analysis will be the basis for assessing the measures proposed. It will contain recommendations for possible adaptations and further actions and will be the basis for drafting the next action plan. The achievement of programme's targets will be subject to a mid-term assessment and an assessment at the conclusion of its implementation.

Housing policy is a public intervention in the housing field and is not a separate policy, as its function is to provide incentives and support to the economic development and advancement of the whole society, in terms of maintaining the population and ensuring it a quality living environment. As the National Housing Programme is a comprehensive document, the Slovenian government and all its line ministries, in particular those responsible for finance, social affairs, economic development and spatial planning have committed themselves to ensuring its effective implementation. The Housing Fund of the Republic of Slovenia is the main institution implementing the national housing policy. Local communities will contribute to the programme's efficient implementation by pursuing an effective land use policy and by providing sufficient land with infrastructure in place for building new housing, in particular public rental housing.¹ The active inclusion of other stakeholders, such as non-government organisations and other associations, will be

instrumental in identifying and introducing examples of good practice for improving the housing supply, and especially in promoting changing mobility and different dwelling patterns.

2. Purpose

The current National Housing Programme is the second generation of the fundamental document adopted by the Government to contribute to the achievement of targets set in its development, spatial planning and social programmes. Previously the activities of the state were principally focused on social transfers to provide for the population's housing security, while the economic and the spatial planning impact of the housing policy remained a secondary concern.

The new approach to addressing housing needs has resulted in the drafting of this new National Housing Programme, which has a dual role. The new National Housing Programme is a document that provides a response to the actual housing situation. In this document the state establishes conditions for implementing all citizens' constitutional right of choice in addressing their housing needs, and defines the general targets of the housing policy. At the same time this is an operative document aimed at enhancing the options for the solution of citizens' housing needs. It focuses in particular on providing quality life for vulnerable population groups by taking into consideration their specific needs.

On the bases of data analyses and discussions held while drafting the new National Housing Programme the document sets general and long-term housing policy targets; such as the need for a balanced supply of housing on the market, provision of easier access to housing, renovation of the housing stock to embrace current living and environmental trends, and encouraging greater housing mobility.

The National Housing Programme creates an environment that will make it possible to implement of long term measures for achieving the set targets. The provision of a sustainable source of financing is of paramount importance for achieving the housing policy targets.

The following five-year medium-term period will allow for the implementation of selected projects aimed at stabilizing the housing supply situation in Slovenia. The new policy framework will provide for equal opportunities and treatment for all citizens when addressing their housing needs. At the same time the measures will focus on providing well-kept and transparent data, and on encouraging the inclusion of external investors in the scheme of housing supply, that will, in turn, help relieve the pressure on public finances.

The new Programme devotes particular attention to creating conditions for providing quality of life for various target populations groups. Interlinked measures in various priority areas, in the form of project packages, will address the housing needs of two specific target population groups: the young and the elderly.

When addressing their housing needs for the first time, young people will be encouraged to rent. Measures will, therefore, be aimed towards increasing the accessibility of rental housing. The National Housing Programme plans to regulate tenancies and establish a new tenancy policy in view of increasing the supply of rental housing from the existing housing stock. On the other hand, the Programme will provide adapted measures that will provide public rental housing in areas with better employment opportunities, where the demand for housing is the greatest. In the process of becoming economically independent and creating a family, the young will now have the possibility of choosing between a vast range of measures for accessible renting (the scheme for the young) and the

possibility of the functional conversion of single dwelling buildings into buildings adapted for cohabitation of different generations.

The package of measures aimed at the elderly focuses primarily on providing such living patterns that allow for high-quality health and other forms of care (sheltered housing) and enable social inclusion and mutual help (mixed-population residential neighbourhoods, closeness of social activities, functional adaptation of single dwelling buildings to facilitate multi-generational cohabitation). Keeping in mind the financial possibilities of the elderly, particular attention is paid to energy renovation solutions, which allow for a better quality of life in one's own dwelling (sale of a dwelling by means of a life annuity, energy performance contracting), renovations in view of functional adaptations and adaptations for the elderly. As most elderly people would like to stay in their own homes or would be prepared to exchange them for smaller ones, most activities will concern this type of housing stock. Cohabitation of several elderly persons in a single dwelling will be encouraged; as such a pattern has proven to be successful in increasing the quality of life.

Effective dissemination and transmission of information on options provided and alternative ways of living will prove crucial for successfully implementing of the above packages of measures. Through activities aimed at building early awareness about the advantages brought about by changed living patterns, a higher quality of life for the entire population will be attained.

A system of monitoring of the effectiveness of the implementation of the measures and the achievement of set targets of the National Housing Programme will be put in place. The ministry responsible for housing will coordinate the preparation of reports. Reports on the implementation of activities defined in the Action plan for the implementation of projects for 2015–2025 will be prepared on an annual basis. The long-term achievement of set targets of the National Housing Programme will also be reviewed. The effectiveness of the National Housing Programme will be assessed at mid-term and at the conclusion of the programme; the results will be used to make corrections to the current programme and to draft the programme for the next programming period.

3. Objectives of the housing policy

Housing policy, with its connecting character and overlap with various state-level fields, is a comprehensive instrument for reaching the targets set by a number of policies defined in the state's development, spatial planning and social documents. Previously the activities of the state had principally focused on social transfers to provide for the population's housing security, while the economic and the spatial planning impact of the housing policy remained a secondary concern. As a result the current situation is as follows:

- there is a shortage of housing in areas where the need for them is the greatest;
- there is a shortage of rental housing, in particular housing that would allow vulnerable population groups to address their housing needs;
- the share of privately-owned dwellings is very high, and this has a considerable impact on the status of the housing stock;
- the housing stock is getting older – it does not meet the energy and functionality standards of modern society and results in an increased cost of living;
- investors show no interest in investing in housing that is in the public interest;
- the legislation in force does not support the rental market – the fiscal and the housing legislation in particular do not allow for the implementation of balanced measures aimed at establishing an effective system of housing supply;
- mobility of the population is low – in the sense of preparedness to change dwellings in relation to the needs arising in different periods of life.

The implementation of the National Housing Programme is not the exclusive task of the ministry responsible for housing. Housing policy is a comprehensive policy and demands the support of the whole Government and the responsibility of all line ministries and all levels of society in order to carry out the agreed measures. Concerted action to reach the housing policy targets will create conditions for efficient economic growth, as housing supply that meets the needs of the population provides impetus to economic development, helps reduce traffic and traffic emissions, and ensures the rational use of resources. A country that provides its population with options and conditions to have adequate and affordable housing in different periods of their lives ensures equality of opportunities for all, increases social security, eliminates poverty and contributes to sustainable demographic renewal in a long-living society.

The population's quality of life depends in large part on the quality of the housing in which it lives; therefore it is paramount that the housing policy addresses issues pertaining to the quality of dwellings, and their energy and functional efficiency. High-quality housing is not only housing that allows for a long and healthy life, but, most importantly, well-built dwellings that meet the needs of their users at the lowest possible costs of maintenance and use.

3.1 Balanced supply of adequate dwellings

In Slovenia, the estimates of what shall be considered adequate supply of housing differ greatly from one expert to the other. Statistical data show that the number of dwellings in the housing stock exceeds the number of households; however, this does not mean that there is sufficient supply of adequate dwellings. This housing shortage is due to the discrepancy between the housing needs of the population in certain areas and the overall supply of housing and the supply of adequate housing in these areas.

The supply of housing is particularly insufficient in major cities and urban centres, where the demand – because of better employment and educational opportunities, accessibility of public authorities and services, and better traffic connections – is the greatest. Due to the high demand the property prices in these areas are higher than elsewhere. Statistical data also show that the availability of housing in peripheral and economically less favourable areas is greater and exceeds the needs of the population.

In some areas the volume of actually available dwellings is smaller because of the number of properties that remain unoccupied. Data from the 2011 Census indicate that approximately 20% of the housing stock in Slovenia is unoccupied. Significantly, this high share of unoccupied dwellings is found both in the peripheral areas and in the areas where housing prices are the highest and also the demand for housing is the highest. However, "unoccupied" or "empty" dwelling does not necessarily mean that the dwelling is indeed unoccupied. In areas with high demand dwellings are often rented illegally (rents are not declared), or they are rented legally but no person is registered as living there; they are only used occasionally, or are not fit for living and are in fact unoccupied (because of inadequate location or the owner's lack of interest to rent). The factors that contribute to the emptiness of the housing stock are inadequate location, physical condition of the dwelling or the owner's lack of interest to make use of the dwelling.

In order to provide a balanced supply of adequate dwellings it is above all necessary to bring the existing unoccupied housing stock back into residential use, and thus increase the volume of the usable housing stock. In areas with great demand for dwellings it is necessary to provide a combination of spatial planning and fiscal measures that will encourage investors to invest in the construction of adequate dwellings, and thus allow for the creation of a stable housing market in the long term. Considering that in the majority of

cases people are looking for a dwelling for the first time, and are not trying to permanently address their housing need, the long-term target is the construction of rental dwellings, both public and private. This Programme envisages that the central role in the increase of the rental housing stock will be played by the Slovenian Housing Fund in cooperation with local communities; however, in providing rental housing for the elderly the Pension and Disability Insurance Real Estate Fund will continue to play its part.

In order to increase the housing stock adequate and appropriately distributed building land with infrastructure in place will be provided in the long term. In particular degraded urban areas will be targeted that are suitable for residential construction and that may bring about urban and social renewal and overall regeneration. In areas hit by depopulation, such as border and mountain areas, it is imperative to create conditions for maintaining people in these areas and to enable people who wish to remain and work there to renovate the existing housing stock; and for meeting the development policy targets by adopting adequate spatial planning solutions. The housing and residential building land tax policy must work hand in hand not only with the targets of the fiscal policy, but also with the targets of the housing policy.

Providing incentives and assistance for alternative forms of supplying dwellings, such as housing cooperatives, will help increase the number of options and choices for addressing individuals' housing needs.

3.2 Easier access to housing

Access to housing means the population's capacity to provide for itself functionally adequate housing that meets its needs. This refers in particular to the accessibility of housing for various population groups in terms of price and supply of high-quality housing to meet a variety of needs. Poor accessibility of housing is primarily due to the shortage of rental housing (only 8% of all housing stock). Most rental housing is publicly-owned. Data gathered from municipalities show that currently there are 6,600 households waiting for a rental dwelling, of which around 2,500 are in Ljubljana alone. As non-profit rent is administratively fixed and has not been changed for a number of years, it does not cover all expenses and therefore does nothing to incite interest in acquiring new non-profit rent housing. This clearly shows that the current system of "disguised social benefits" in the form of "non-profit rents" must be abandoned and that the category of rental housing must be divided into public and private rental housing, and that cost-rent reflecting the real value of the dwelling must be gradually introduced.

The situation of the rental market is bad in Slovenia; it is estimated that rental income is not declared for almost one-fourth of all rented dwellings. This not only makes the tenants' situation difficult but also reduces the state's tax income. This situation is the result of the non-regulated area of tenancies which amplifies the distrust between landlords and tenants.

Both tenants and landlords underline the inadequacy of the system, which should ensure the safety of tenancies. The result of such insecurity and bad experiences is short-term renting, renting without declaring rental income or without tenancy agreement, grey and black renting², and numerous unoccupied dwellings. The housing policy measures must ensure greater safety of both tenants and owners.

Sanctions for renting without tenancy agreements and effective control must be introduced, and quicker and more effective conducting of court proceedings concerning tenancies must be ensured. The state must implement a financial policy that will encourage owners to rent their property.

Young people, who are setting up families and have a low capacity to obtain loans as they are just starting their work careers, have extremely limited possibilities in addressing their housing needs. It is, therefore, imperative that along with the extension of the rental housing stock there are mechanisms put in place that will supply housing for young families and young single persons - both in terms of long-term rent and of rent with subsequent purchase of the first dwelling.

In providing access to housing special attention must be paid to the elderly, considering the fact that Slovenia's population is aging rapidly. According to population projections in 2060 in Slovenia more than 30% of the population will be aged 65 and more (around 650,000 people). Considering the fact that the elderly have more difficulties covering their housing expenses by themselves and that they need adapted housing, it will be necessary to provide for a larger amount of sheltered housing in appropriate locations, and extend the possibilities for other forms of cohabitation, while taking care to maintain intergenerational co-existence and inclusion. It is crucial to encourage the renovation of the existing housing stock so that it will meet the needs of the older population. Energy renovation of buildings is an important feature of the social policy, as it may have a decisive impact on the lowering of costs associated with the use of a dwelling and, consequently, on the material situation of the population.

Another group whose housing needs must be addressed, besides the above mentioned target groups, is the most vulnerable population group, which loses their place to stay because of eviction, natural disasters, violence or financial problems; their needs must be addressed with emergency accommodation - housing units. It is estimated that there is currently a shortage of about 800 housing units in Slovenia. It is necessary to construct housing units of adequate living standard with the lowest charges. Such dwellings must never be considered a long-term solution to a housing need, but must remain exceptional, emergency forms of accommodation. Cases of social distress and of non-payment of rent result in a large number of evictions and enforcement proceedings. Evicting tenants who do not pay their rent will open up rental housing and increase the supply; however, temporary housing units are needed to accommodate evicted families and individuals, as well as to mitigate situations of profound social distress.

The expanding migration flows and their pressure on urban centres make the issue of accommodating immigrants, in particular those that will become long-term residents, a problem that must be addressed in a serious manner.

These target population groups must be provided with access to different types of housing, by means of various financial measures, amendments to legislation and implementation of pilot projects, as well as with a harmonized implementation of the social, financial, spatial planning, educational and health policies.

The necessary financial funds for improving access to housing for vulnerable social groups will also have to be secured from European funds. The European Social Fund is a European Union structural fund established to help reduce the differences in wealth and the standard of living among EU Member States. However, in order to be able to efficiently use these resources it will be necessary to establish national rules and mechanisms that will also allow municipalities and public housing funds to access these resources.

Along with the system of incentives to increase the housing supply a system of social residence benefits must be established for socially disadvantaged groups. Parallel to the introduction of cost rent for public rental housing a residence allowance must be introduced, which will increase the capacity of the economically weaker population to address their housing needs. As residential allowance is a financial transfer it is paramount that it is included in the established and operational national social relief system, that a

mechanism of regular control of beneficiaries of residence allowance is put in place, that any abuse is prevented, and that interconnectivity of records is assured.

The Table below shows the funds earmarked in the national and municipal budgets in 2014 for subsidies to tenants in non-profit and market price rental dwellings. Another, concealed social transfer is represented by the difference between the cost rent and the non-profit rent. An assessment made on a sample of non-profit housing from the entire territory of Slovenia shows that this transfer amounts to between EUR 17 million and 25 million annually. The cost of this social transfer is borne by the owners, i.e. funds and other non-profit housing organisations and municipalities.

Table: Subsidies in 2014 (source: MDDZ)

Type of dwelling	Number of beneficiaries	Sum of subsidies (EUR)
Living unit (emergency accommodation)	282	144,248
Non-profit dwelling	8,112	8,866,598
Market rent dwelling	3,741	7,142,136
TOTAL	12,135	16,152,982

Publicly accessible data show that in Slovenia there are 20,460 public rental dwellings and that 8,112 beneficiaries were receiving subsidies in 2014.

3. 3 *Quality and functional housing*

The population's quality of life prevalently depends on the quality of the housing in which it lives, making it of paramount importance that the housing policy address issues pertaining to the quality of dwellings, and their energy and functional efficiency. Quality housing is not only housing that allows for a long and healthy life, but, most importantly, properly built dwellings that meet the needs of their users and demand the lowest possible costs of maintenance and use. The principle of providing quality and functionality must be taken into consideration both when constructing new housing and when renovating.

In Slovenia, about 70% of the housing stock is more than 30 years old, which means that many construction elements are depreciated and in need of renovation. According to the Slovenian Statistics Office in 2012, 32% of households lived in housing in bad state of repair. This indicates that the Slovenian housing stock needs both energy and functional renovation, and in some cases also other forms of upgrading, such as seismic renovation.

Renovation of the housing stock has numerous advantages over new construction, and is considered the favourite form of supply of adequate dwellings. Not only it does not require any new spatial planning interventions but helps revive degraded areas dedicated to residential use, and enables the building of new dwellings on degraded in-fill sites within settlements. Renovation makes it possible, besides supplying new housing spaces, to achieve the energy efficiency targets of the housing stock, thus reducing the energy consumption and lowering the costs linked to the use of the dwelling.

The state will focus on the establishment of a system that will simplify and, consequently, spur the implementation of renovation projects. The analysis of various financial options that are accessible to the population in view of the improvement of the housing stock's status shows that it is necessary to ensure better coordination and linking among various incentives and benefits for the renovation of dwellings and residential

buildings, and to convert individual cases of good practice into a general pattern of good practice in this area.

In the period of economic crisis and lack of public funds the means for renovation will come also from European funds and from newly established national financial mechanisms, which will have to form a homogeneous and integrated system of housing renovation financing. European funds will be invested in the renovation of public buildings, while physical persons will be eligible for the Eco Fund funds.

The aim, because the dispersed ownership of multi-dwelling residential buildings and private property must be taken into due consideration, is to create such a legal and organisational framework that will establish a balance between the rights of the owner of an individual dwelling and the obligations linked to the common parts of a multi-dwelling building. Renovation of the housing stock is not only the right and the obligation of the owner, but is also in the public interest. Integrated renovations must be managed and implemented in such a way as to take into consideration all key elements of sustainable development.

Changing living habits result in changes to the living standard and of the functionality of dwellings, it is, therefore, imperative that in the overall process of planning and building of housing particular attention is devoted to information and building awareness about the importance of quality and higher functionality of dwellings. Awareness-building activities must reach all relevant housing supply operators, encouraging them to search for and consider modern, quality and rational technical, energy efficiency, environmental and financial solutions in the very phase of planning of residential neighbourhoods, as well as in the construction and renovation phases. In parallel, the effectiveness of existing housing norms in terms of building requirements and functionality will be examined, and adequate adaptations will be introduced.

3.4 Greater housing mobility of the population

Individuals and households are meeting their changing housing needs by either changing their dwelling for another or by renovating (upgrading?) their own dwellings. As a rule, a person's housing needs within one's life cycle depend on one's current professional career, establishment and growth of a family, and transition into older age. As individuals' living needs change, their needs in terms of dwelling volume and type change as well. Initially a smaller dwelling suffices, but when a person establishes a family and the number of household members grows, the need for a larger dwelling arises. In older age, when the number of household members diminishes, the need for a different type of dwelling again arises. By facilitating and encouraging housing mobility we enable the housing supply to adapt to the needs of individuals and households in various points of their life cycle, to their targets of life and to their expectations.

By promoting greater housing mobility we want to achieve a more rational distribution of households across the existing housing stock and allow individuals and households to live in dwellings that better suit their housing needs. Housing mobility gives individuals better opportunities in terms of professional and employment choices and the possibility to adapt their living standard to their current financial means. In particular older people, with their lowered income, must sustain excessive living costs because of living in less than appropriate, too large or energy inefficient dwellings; and their dwellings often present architectural barriers.

The realisation of the target of greater mobility will, besides providing a sufficient number of dwellings and ensuring a better accessibility of quality dwellings (volume, location, functionality) for different target groups, build greater awareness among the population, in

particular by encouraging new (also non-institutional) forms of social assistance and cooperation. Preparedness to move is greatest in the younger generation, whose members are unable to secure appropriate dwelling without the assistance of their parents, and among the elderly who are no longer able to sustain the maintenance charges of dwellings that had become too large for them. All of the above also opens up new possibilities of intergenerational cooperation. Harmonized implementation of social policy programmes and activities plays an important role in the building of early-stage awareness about the possibilities of modifying one's living habits and encouraging housing mobility.

Programme of projects by priority areas in the period 2015-2025:

P R O J E C T S	Activation of the existing housing stock	Better accessibility of housing for vulnerable population groups	Renovation of the housing stock	Building of new housing in areas where there is the greatest need
	Increased security of tenancies	New tenancy policy	Energy renovation of residential buildings	Building of public rental dwellings
	Public service for managing rental housing stock	Scheme for young people	Functional renovation of one-dwelling buildings	Active land policy
		Adequate housing for the elderly	Integrated renovation of residential neighbourhoods	
		Scheme for providing special purpose dwelling units		
	Implementing bodies and supporting activities			
	SSRS	LOCAL COMMUNITIES	NON-GOVERNMENTAL ORGANISATIONS	NETWORKS FOR PROVIDING INFORMATION

4. Programme of projects 2015–2025

4.1 Activation of the existing housing stock

In order to attain the target of providing a sufficient number of adequate dwellings it is paramount to bring the current stock of unoccupied properties back to residential use and thus contribute to increasing the number of usable dwellings.

Necessary measures to be taken in order to activate the existing housing stock (to stir the housing market?):

- Revamping the housing legislation will increase the safety of tenancies.
- Establishment of a public service for the management of rental housing will encourage owners of unoccupied dwellings to rent their property at more favourable prices for longer periods.
- Targeted financial measures will encourage owners of unoccupied homes to rent out their property.

According to the 2011 Census approximately 20% of the housing stock in Slovenia is unoccupied.³ An important share of these unoccupied dwellings are located in urban municipalities where housing prices are the highest and the demand for housing is also the highest. At this point it must be stressed that an "unoccupied" dwelling does not necessarily mean empty dwelling. In areas with high demand dwellings are often rented illegally (rents are not declared), or they are rented legally but no person is registered as living there; are only used occasionally, or are not fit for living and are really empty (because of inadequate location or the owner's lack of interest in renting).

4.1.1. Increased security of tenancies

On the basis of accessible data it is estimated that almost one fourth of all rental dwellings are being rented out without the tenancy agreement being registered. Such unregistered tenancies constitute a loss of tax income for the state and also significantly worsen the status (legal protection) of tenants. The dwellings that are actually empty (not rented) diminish the supply of dwellings on the market and contribute to increasing the rents of those dwellings that are legally rented.

Tenancies are in a very bad condition, and the reasons for this state are to be found in the atmosphere of distrust between landlords and tenants. The system of legal protection of tenants and landlords has been proven, in comparison to practices from abroad, to be adequate, however, certain upgrading of the system will be necessary. Linked measures adopted in various fields (legislation, conducting of court proceedings, inspections, additional mechanism) will allow for the greater stability of tenancies.

Judicial protection is the only just way of solving disputes between the tenant and the landlord in cases of termination of tenancy agreements. However, in practice proceedings relating to the termination of tenancies are, although prioritized, extremely slow. In order to provide better security of tenancies, amendments to the legislation will consider the possibility of introduction and application of the order to vacate, which would shorten the eviction procedure and, consequently, reduce the landlords' expenses. At the same time the tenant will be allowed protection in the form of a reasonable notice, which will allow the tenant to find a new dwelling by himself.

The high cost of court proceedings and eviction present a huge burden, which in most cases is borne by the landlord.

Taking out commercial insurance will be encouraged as an additional mechanism for covering the cost of possible eviction. This mechanism will not pose an excessive burden on the tenant when concluding the tenancy agreement, but will provide greater security and diminish the risk in cases of eviction.

Measures aimed at organising the records of tenancy transactions, which the landlords must report to the Real Estate Register, have already contributed to the regulation of formal tenancies. Along with the organisation of records and improved transparency of data on the rental housing market, financial policy measures will be implemented, which will additionally stimulate owners to rent out their property. In parallel to financial incentives for renting financial charges for owners of unrented unoccupied dwellings will be introduced, as well as sanctions for owners who rent their property illegally. In this context activities aimed at promoting the "new" financial rules and forms of assistance (subsidies) and at providing information to the population will play an important role. In addition, changes will be made to the system of inspection by linking housing and tax inspection services.

The establishment of a public service for managing rental housing stock will additionally contribute towards increasing the trust between tenants and landlords.

4.1.2 Public service for managing rental housing stock

A public service for managing rental housing stock will be established with the aim of providing better safety of both tenants and landlords. The aim behind the establishment of the public service to manage rental housing stock is to increase the amount of rental housing at affordable prices below market prices, and thus increase access to rental housing for, in particular, the young and young families.

The public service for managing rental housing will operate as an intermediary, management and maintenance service for rental housing included in the scheme of the rental housing stock. The service will be established and will operate within the Slovenian Housing Fund.

The aim of the service is to act as an intermediary between the tenant and the landlord in the whole period of managing the rental dwelling. Private owners will have the possibility to transfer the management of their property to the service for the long or short term. Owners will, with a contract, transfer the management of their property to the service for an agreed period of time and for a defined cost. After the expiry of the agreed period the owners will get back their property in the agreed condition, vacant and free of charges. The ownership of the property will not change. The owner will be relieved of all tasks linked to renting, and in the long run they will also receive income from the rent. The ministry responsible for housing and the ministry responsible for finances will examine the possibility of introducing tax reliefs for owners who decide to rent their property through the Service for managing rental housing stock.

The tasks of the public service of managing rental housing stock will be carried out by the Slovenian Housing Fund, which already manages more than 3,700 rental dwellings and has ample experience in managing rental housing at both cost and non-profit rents. The Slovenian Housing Fund operates in the national interest in the whole territory of Slovenia; therefore the requirement of permanent residence in the municipality of the rental dwelling will be abolished as a condition for applying for a dwelling managed by the public service. This means that persons who do not live in the municipality where the dwelling is located

may apply for such a dwelling. This will allow people to move closer to their jobs, and reduce the impact on the environment resulting from daily commuting.

Increased housing stock, lower-than-market rents and abolishment of the requirement of permanent residence will contribute to better access to housing and make it easier, in particular for young people and young families, to address their housing needs. As a consequence, the measure will contribute to the population's greater mobility.

4. 2 Better access to dwellings for vulnerable population groups

The right to housing is one of the fundamental human rights, while homelessness and poor access to housing for socially disadvantaged population groups is an extremely severe form of social exclusion; for this reason the Government will, by 2015, devote special attention to the addressing of the housing need of these population groups.

Necessary measures to ensure better access to dwellings for vulnerable population groups:

- Gradual introduction of the new rental policy will simplify maintenance of rental housing, encourage investors to invest in new housing stock, and will, at the same time, provide financial assistance for payment of rents for the economically weaker population.
- Each public rental dwelling sold will have to be replaced by at least one public rental dwelling.
- The range of possible options for addressing one's housing need will be improved and extended, in particular for the young, for the elderly and for persons with special needs.
- The housing stock earmarked for addressing housing needs of the most vulnerable population groups will be increased in accordance with the demand and will be adapted so as to require minimum charges from the user.

Addressing housing needs of the vulnerable population groups is a complex and interlinked area, which covers, besides the financial and physical accessibility of housing, specific social care programmes and solutions that are adapted to particular vulnerable groups. Issues linked to the accessibility of housing for vulnerable population groups concern not only setting non-profit rents, providing subsidies for rents, shortage of public rental dwellings, and appropriate dwellings for persons with specific needs, but also the lack of different forms of assistance for people to address their housing needs by themselves. The emphasis will be placed, besides on the gradual regulation of the system of rents, on the conservation of the public rental housing stock, and this by introducing the principle that each public rental dwelling sold must be replaced by at least one (comparable) new public rental dwelling.

4.2.1 New tenancy policy

In Slovenia, the most accessible housing in terms of cost is in non-profit rent dwellings that are, in compliance with the legislation in force, provided by municipalities. According to managers of this rental stock, one of the key reasons for the shortage of non-profit rent dwellings is the inadequacy of the calculation of the non-profit rent that is defined in the legislation in force. During the past twenty years non-profit rents gradually increased, but the current situation indicates that their amount, in comparison to the market value of dwellings, is severely underestimated in certain regions, while in other regions they may even be higher than cost-rents. The main shortfall of the applicable system of calculating non-profit rents is the fact that rents are fixed administratively and do not take into consideration the location of the dwelling.

Low or excessively low rents are not the right approach to the creation of a housing and rental policy, as they only contribute to depleting the housing stock. The income from rents does not suffice to cover all maintenance costs and falls short of forming a reserve for the acquisition of new dwellings or to cover the depreciation of the property. Managing, maintenance and extension of the public rental housing stock is not a self-sufficient system and is a burden on municipal budgets, increasing public debt. Data indicate that local communities are reducing the existing public rental housing stock by selling rental dwellings⁵, while showing no interest in any substantial acquisition of new rental dwellings. With a view to preserving the current extent of the housing stock intended for providing rental housing, the principle of replacing each public rental dwelling sold with at least one public rental dwelling will be introduced in the legislation.

The weaker population's capacity to pay will be strengthened through non-profit rents and residence subsidies. The current scheme of rent subsidies in combination with non-profit rent is based on a system of concealed subsidies that in the long run pose a double burden on public funds. It is, therefore, imperative to revamp the system of rent subsidies in order to make it more transparent, more just and less burdensome upon public finances.

With the purpose of ensuring the transparency of the system of social benefits aimed at providing affordable housing, this programme and the amendments of the legislation will provide for the compulsory monitoring of the property status of all persons eligible for non-profit rent on a yearly basis, or when this property status changes. A link will be established that will allow the owner of the property to acquire the information necessary to establish and regularly verify the eligibility for non-profit rent *ex officio*. In parallel, existing common registers of all types of social transfers will be supplemented.

For each beneficiary the manager or the owner of the public rental housing will have to submit, at least once a year, information on the difference between the non-profit and the cost rent, and on the amount of the residence allowance. This will ensure the interconnectedness of data on the amount of public funds provided to the beneficiaries by the state.

Cost rent will counterbalance the market rent and will, at the same time, enable the owner to maintain their property in a state offering the tenant quality living conditions. The ministry responsible for housing will prepare a method for calculating the cost rent and propose the necessary amendments of the housing legislation. The amended legislation will allow for flexible management of the rights of persons eligible to live in public rental dwellings in accordance with their financial means and housing needs.

The transition to a system of charging cost rent will be accompanied by the introduction of a residence allowance. The current fragmented system of subsidizing non-profit and market rents will be pooled into a single residence allowance intended to improve the capacity to cover the costs of rents of the economically weaker population. Under the current National Housing Programme the ministry responsible for housing will prepare a uniform methodology for calculating the residence allowance and propose amendments to the legislation that will allow for the gradual introduction of this residence allowance.

The application of rental policy measures will ensure transparency of and control over the actual use of public funds, and a more equal allocation of social benefits from public funds will be ensured. Administrative barriers for establishing and verifying the eligibility to public rental housing and to residence allowance will be eliminated. A more just management of the right to use public rental dwellings will be ensured, which will, in turn, improve accessibility of rental dwellings for those persons who are unable to satisfy their residential needs in any other way.

The primary consideration in the formulation of the rental policy is public interest, which resides in creating the conditions that ensure the largest share of the population the opportunity to satisfy their housing needs and enable the realisation of the constitutional right to adequate housing. Legislative solutions will have to be devised and implemented for all groups of tenants and for existing tenancies that pass the test of constitutional admissibility and the test of proportionality; and issues concerning the separation between the acquired rights and legitimate legal expectations on one side and the legal consequences of retroactive interventions on the other will have to be clarified.

4.2.2 Scheme for the young people

Providing housing for the young and young families is one of the key areas of the social policy addressing the young population. Measures addressed at young people aim mainly to provide them with their first independent dwelling, so increasing access to public rental dwellings is an absolute priority. A number of financial incentives are also put in place to assist young people in their decision to address their housing needs by acquiring property. The key role will be played by the Slovenian Housing Fund and by local housing funds, which will treat young people in a more favourable way and adapt their measures to their needs.

The housing market is less favourable for the young, considering that in Slovenia the most usual way of getting a dwelling is to buy, and young people are, as a rule, more poorly paid and have mostly fixed term contracts. High property prices and difficult access to financial resources make it very difficult for the young to move to own dwellings, to leave their parents and become independent, to establish, first, one's own household and finally a family.

Young people who are at the beginning of their careers and have little disposable income are also, for the most part, employed with fixed-term contracts or even in precarious jobs. The young are unable to buy property due to high prices and the financial risk linked to purchasing and long-term debt. On the other hand acquiring property reduces mobility and increases costs when residential needs change (marriage, children, etc.). The National Housing Programme addresses young people's needs at the moment of their transition to independent life.

The Programme's first measure targeting the young is the construction of housing communities for the young - dwellings adapted to the cohabitation of young people. The construction of this type of dwellings is, as a rule, more cost-effective than constructing separate housing units, and results in lower (more accessible) rents. This type of living is, because of the lower rents, attractive for young people, who want to be independent but are still prepared to live with their peers. Housing communities are intended for young people who have finished their studies and are no longer eligible to live in student residences, or for young people outside the academic environment who want to become independent. The proposed type is not intended to supply housing over the long term, but as initial assistance for young people in ensuring their housing independence; a time and an age limit for residence is envisaged.

Housing communities could be provided by local communities and their housing funds, youth organisations, non-government organisations, cooperatives, etc. The Slovenian Housing Fund will have the competence to support such projects through long-term loans or by entering into public-private partnerships. The National Housing Programme proposes that the Slovenian Housing Fund construct – as a pilot project – a smaller building (housing community for the young) with its own resources or in cooperation with an interested municipality, which would support the project by providing building land free of charge. The aim of this pilot project⁶ is to verify the soundness of this business model, and will be the

basis for drafting permanent models of financing, cooperation and definitions of terms for young people's living standards on the basis of identified needs.

The second measure targeting young people concerns the provision of low-cost rental dwellings in areas where the demand among young people is the greatest. The Slovenian Housing Fund will, as part of its mission, provide affordable smaller dwellings for the young that will only be intended for young people and young families within a defined age limit. A pilot project is also envisaged under this measure; under which the Slovenian Housing Fund will set aside a certain number of own dwellings that will be rented exclusively to the young. On the basis of the response to the initiative and young people's identified needs a long-term plan will be prepared for providing an adequate number of dwellings in areas of the greatest demand.

Rent to buy - the possibility to acquire a publicly owned rental dwelling

Rent to buy scheme is a new management instrument, which gives the owner of the public rental housing stock the possibility to better manage the totality of the stock. The owner may take advantage of this measure in order to optimize their existing housing stock in terms of tenants' needs, maintenance costs and management of the whole stock. The measure may also be used as an autonomous housing policy measure, under which the new housing stock is identified in advance as dwellings that may be acquired after a period of tenancy, and the conditions of use and acquisition are also defined in advance.

The condition for implementing such measure is that each dwelling sold must be replaced by at least one public rental dwelling. In this way the preservation of the public rental housing stock is ensured.

Mixed property as a type of public-private partnership

In Slovenia the model of mixed property is already an established practice, which enables those interested in acquiring their homes on the free market to do so through public-private partnerships. The private partner has exclusive ownership of the dwelling and also manages it completely by themselves, while paying to the public fund (the co-owner) a monthly compensation for its use. The instrument enables households to gradually become owners of adequate dwellings for a reasonable financial burden, and thus providing a home for themselves for the long run.

This measure is a typical financial instrument and will be implemented by the Slovenian Housing Fund and local housing funds. It will increase the accessibility of housing in particular for young people and young families that are moving to own dwellings for the first time.

4.2.3 Adequate housing for the elderly

Slovenia's population is aging; in 2013 the share of persons aged over 65 was more than 17%, and the share of persons aged 80 and over is also increasing. According to the latest data published by the European Commission (The 2015 Ageing Report) the share of the elderly population (65 and over) in Slovenia will increase by 25% by 2030.

The National Housing Programme embraces the national social policy's targets in caring for the elderly and examines possibilities of alternative living solutions that may be provided for the older population. It is necessary to consider that housing needs of the elderly are specific and linked to their social and health status. Elderly people are at a major risk of poverty; among these particularly women living in one-person households are at risk.

Activities such as day centres for the elderly and inter-generational centres that are already being implemented in Slovenia contribute indirectly to addressing the housing needs of the elderly and keep the elderly better informed. Both activities provide a number of support services that enable elderly persons who need assistance and support with daily to live in a community, and also information on improving their housing and living standard; by informing on cases of good practices and counselling they contribute to changing the living habits of the elderly.

Among various solutions for addressing the risk of elderly people's housing poverty the most adequate appears the one encouraging cohabitation of elderly persons in larger or common households. Cohabitation may have different forms: either one elderly person moves into the dwelling of another person, which is more adequate in terms of location and functionality; living communities are established for the elderly in dwellings that have been constructed, renovated or adapted for this purpose and are located near day centres for the elderly or near common care centres. The inclusion of the elderly in society will be ensured through the planning of adequate dwellings within mixed neighbourhoods; this will provide them with a higher quality of life and ensure their social inclusion.

The planning of the housing stock intended for the care and housing of the elderly must imperatively take into consideration the architectural and functional requirements, as well as the principles of energy efficiency (to lower the operational costs of housing units). Suitable are those types of housing that ensure an adequate level of care, such as sheltered housing units. The most reasonable way of providing such dwellings is through public-private partnerships, which allow for supplying special purpose rental housing at affordable prices. The condition for the establishment of such public-private partnerships is that a part of the share of purpose-built dwellings corresponding to the share of public funds invested in the partnership must be dedicated to providing long-term public housing for the elderly. These special purpose public dwellings will be included in the housing stock of the public housing funds.

Acquisition of dwellings by means of a life annuity

Owners of dwellings who are no longer capable of bearing the burden of ownership will be given the possibility to sell their dwellings to a public housing fund by means of a life annuity. In this way owners will be able to exchange their property for a public tenancy without jeopardizing their social and economic safety.

The promotion and implementation of this mechanism is the responsibility of the national and local housing funds. This measure may be considered in particular in cases of renovating multi-dwelling buildings or when providing adequate housing for the elderly. It will directly contribute to the overall improvement of the housing stock, elimination of housing poverty and expansion of the public rental housing stock.

4.2.4 Scheme for providing special purpose dwelling units

In the future, co-financing for housing units will be provided by the Slovenian Housing Fund. In cooperation with local communities and line ministries the Fund will prepare a scheme to supply housing units for the period of the implementation of the National Housing Programme. In this way the access to special purpose units will be broadened, and will not be linked to the requirement of permanent residence.

On the basis of the Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 and 2020 co-financing of dwellings for persons with special needs will be provided by the ministry responsible for social affairs.

Living units

At least 800 living units will have to be supplied in order to meet the basic needs for emergency accommodation. Under the National Housing Programme, the provision of new living units will be part of the scheme for providing special purpose housing units that will be prepared by the Slovenian Housing Fund in cooperation with local communities and line ministries. Providing housing units is the competence of municipalities, as it addresses cases of the worst social distress; therefore local communities will participate by providing building land with infrastructure in place or adequate residential areas in need of renovation.

Living units are intended as temporary accommodation for vulnerable and the most-at-risk population groups, that is persons who lose their place to stay and are at risk of becoming homeless, and persons who live in unbearable conditions (such as female victims of violence or individuals homeless after an eviction or natural disaster). Living units are by no means a long-term solution to homelessness and are intended for short-term use. These housing units ensure quality living and, at the same time, a minimum financial burden for their users.

In the coming period special attention will be devoted to providing assistance and support to persons that had been forcibly evicted. In the period 2015-2017 the MDDZ, the MOP and the SSRS will carry out a special pilot project, which will serve as basis for the preparation of integrated and systematic solutions to address the housing needs of evicted individuals and families.

Housing for people with special needs

The state and the local community ensure access to adequate housing, adapted to the needs of their users, namely persons with special needs. In this context it is necessary to consider the need for including these people in society, and for providing the services they particularly require.

Housing for those with special needs must be provided in adequate locations on the basis of analyses of their needs as prepared by the ministry responsible for social affairs in cooperation with local communities. The MDDSZ will participate with funds from the Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014–2020 in supplying adequate housing units. Local communities will participate mostly by rapidly and effectively providing land with infrastructure in place.

The design of housing for persons with special needs must take into consideration specific architectural and functional requirements. Suitable types of housing are those that ensure an adequate level of providing care, enable maximum autonomy of living, and require the lowest housing costs.

4.3 Renovation of the housing stock

With the purpose of bringing back the existing housing stock in quality residential use, of increasing the mobility of the population and achieving the climate targets the measures adopted by the state in the housing field will, as a priority, address the renovation of the housing stock.

Measures necessary for the rapid renovation of the housing stock:

- Continued systemic financing of energy renovations will contribute to reducing energy losses and ensure efficient energy use in residential buildings.

- Legislation will enable effective and safe financing of renovation of multi-dwelling buildings with fragmented ownership.
- Introducing energy performance contracting will facilitate energy renovation of multi-dwelling buildings.
- Gradual introduction of mechanisms of financing from existing international financial sources will contribute to encouraging the implementation of urban renewal projects, in particular projects of integrated renovation of residential neighbourhoods.
- Functional conversion of existing single dwelling buildings into buildings with more independent housing units will contribute to increasing the quality of life and to retaining the population in rural areas.

Financial assistance is the most efficient measure for attaining energy renovation without any regulatory or other constrictions; this is clearly shown by the effective use of financial instruments offered by the Eco Fund.⁷ The task of the state is to ensure a steady influx of funds earmarked for encouraging housing renovation; in this respect the most appropriate is financing that is not directly linked to the national or the municipal budgets. In this way a regular, source of financing is ensured that is independent of daily politics. Thus legislative arrangements in energy, spatial planning, building and finances will provide for the systemic provision of funds from which housing funds and other organisations that promote reduction of heat loss and efficient energy use are financed.

Financial aspects of energy renovation of buildings must be accompanied by other, equally important measures. Among other things, due consideration must be given to finding solutions for effectively implementing renovations while taking into consideration the rights of owners of housing units in multi-dwelling buildings, in particular in the stage of financing of the renovation and use of the reserve fund. The second aspect that must be underlined, considering the age of the existing housing stock is the need to ensure, already in the phase of deciding on and planning the renovation, is a comprehensive review of the status of the multi-dwelling building, and a proposal for integrated measures that will ensure its use in the long run.

For this reason the network of energy consultants will continue to be funded. To enable it to provide comprehensive advice to property owners the network will include professional organisations - the Slovenian Chamber of Engineers, the Chamber of Architecture and spatial planning of Slovenia, the Chamber of commerce and Industry of Slovenia and the Chamber of Craft of Slovenia. These organisations, together with other professional organisations and the Slovenian Housing Fund form a pool of experts that are trustworthy and independent, who provide professionally sound and unbiased information and guidance.

4.3.1 Providing conditions for energy renovation of the housing stock

In Slovenia, more than 70% of all buildings are older than 30 years. Slovenia has committed to reducing its CO₂ footprint and its dependence on foreign energy sources. These are the bases for continuing with an intensive energy renovation of the housing stock in this programming period. In renovating single dwelling buildings, the system of granting subsidies and favourable credits through the Eco Fund will be maintained and expanded. Additionally, owners will be motivated to renovate their property through intensive information campaigns focusing on the positive impact of rehabilitation on housing costs and maintenance of comfortable living conditions.

Energy renovation in multi-dwelling buildings is more problematic and the need to come up with effective and captivating solutions is greater. The main problem is the extremely fragmented ownership structure, as each dwelling in a multi-dwelling building is

owned by a different person. Any agreement concerning energy renovations among these owners, for reasons that range from their state of awareness, financial capability, and the status of the tenant or landlord, is difficult to reach, while renovations of individual dwellings are very limited and do not contribute to any significant savings. A major hindrance for the implementation of energy renovation projects in multi-dwelling buildings is the requirement of the consensus of all owners to take a loan for energy refurbishment of multi-dwelling buildings. The ministries responsible for justice, finance and housing will propose ways for solving this problem of providing loans to renovate multi-dwelling buildings; ways that will not put the owners at risk of losing their property but will, at the same time, allow owners to choose the most suitable method of financing their obligations under the renovation. The new mechanisms will also include banks, for which these mechanisms will have to be sufficiently secure and attractive so that they will be prepared to lend for housing renovation purposes.

In the Operational Programme for the Implementation of the EU Cohesion Policy for the period 2014-2020 special attention will be given to examining the possibility of introducing a new instrument for renovating multi-dwelling buildings, the so-called energy performance contracting. Energy performance contracting is a way of providing for renovation and long-term reduction of energy supply costs: for an agreed period the owners continue to pay the same costs as before, which are composed of costs for the supply of energy and energy-generating products, and costs for energy-related services, while the contractor will provide funds for energy renovation. The investment will be paid from the difference between the cost for energy of the renovated building and the previously charged energy costs. In view of increasing energy efficiency through the implementation of integrated territorial investments in cities, this measure will be allocated EUR 10 million in the new programming period.

The Operational Programme for the Implementation of the EU Cohesion Policy for the period 2014-2020 also envisages grants in the total amount of EUR 5 million for financing efficient energy use (EEU) measures to address energy poverty in about 500 low income households. Energy poverty is becoming a major problem, as prices grow much faster than the population's income. Thus the energy expenses for dwellings in the first income quintile group of households have risen sharply and in 2010 already made up 17.4% of all available means of a household (in 2000 13.1%). The issue of energy poverty is becoming central to EU policies; however, there is yet no definition of who comprises the energy poor. In 2010 in Slovenia 6% of households were unable to suitably heat their dwellings (SURS 2012), so it is imperative to speed up the implementation of measures to reduce energy poverty. These are special measures to assist with energy renovation of households living in energy poverty. Measures will include investments and counselling, and measures to encourage changes of living habits.

Addressing energy poverty demands an integrated approach. A task force is needed - including a social worker, psychologist and a communication expert. It is necessary to find potential beneficiaries and approach them, as they do not contact the services by themselves for lack of information, motivation or other reasons (old age, social exclusion, etc.). As these persons have no means of their own, most of the investment will have to be co-financed.

In the National Energy Efficiency Action Plan 2014–2020 (AN URE 2020)⁸, Slovenia has set its national target for improving energy efficiency by 20% by 2020, in line with the requirements set out in Directive 2012/27/EU (Energy Efficiency Directive). Primary energy consumption will not exceed 7.125 million TOE (82.86 TWh) in 2020, and will not exceed the 2012 figure by more than 2%.

It is necessary to ensure – in particular when public funds are used – that integrated energy renovation of multi-dwelling buildings is ensured, and that, as stated in AN URE 2020, other measures for improving the state of buildings (sustainable renovation) will be carried out in accordance with the principles of due diligence and care. The necessary funds must be secured for existing and new measures to be implemented: funds collected from the energy efficiency contribution, resources from cohesion funds and the Rural Development Programme, and resources from the Climate Fund.

In accordance with Article 4 of the Directive 2012/27/EU a long-term strategy for the promotion of investments in the renovation of the national housing stock of both public and private residential and office buildings is being prepared. The strategy will take into account all programmes and action plans relating to this area. The strategy will be revised and updated every three years. Buildings with the lowest energy efficiency should be renovated first whenever this is cost effective and technically feasible.

4.3.2 Integrated renovation of residential neighbourhoods

In Slovenia, most real estate is privately owned, which makes implementing integrated housing renovation projects in the public interest as well as active pursuing of land policy difficult. The EU Development Programme and the Financial Perspective 2014-2020 list urban development among their priorities. The relevant programming documents identify among priority targets also urban renewal, and this will enable drawing of EU funds for all types of integrated renovations in urban areas. A new mechanism of integrated territorial investments in cities (ITI) is being introduced, under which cities in Slovenia will be eligible, in the new financial perspective, for EUR 117,000,000 of grants for the implementation of integrated development projects, including renovations of residential neighbourhoods. On the basis of sustainable urban strategies that cities will have to adopt in order to be able to draw on European funding, the cities will choose projects aimed at solving problems in a designated urban area (in a residential neighbourhood or the city centre, for instance).

Local communities and other entities may find additional resources for implementing residential neighbourhood renovation projects in other financial mechanisms provided by the European Investment Bank (such as JESSICA), the European Commission and other interested investors. These instruments were not utilized in Slovenia; therefore in this programming period special attention will be devoted to establishing and introducing refundable funding financial instruments and promoting existing instruments at both the national and local levels. Efforts will be aimed at implementing pilot projects of integrated renovation of residential neighbourhoods by using various financial instruments by 2020; these projects will serve as cases of good practice for the implementation of projects in the next programming period.

4.3.3 Functional renovation of single dwelling buildings

In areas outside urban centres and historical centres of settlements there is a prevalence of single dwelling buildings, which, considering their dimensions, could accommodate a larger number of inhabitants, but are designed as individual dwelling houses. In rural areas, in particular areas at risk of depopulation it would be sensible to allow such buildings to be converted into two- or three-dwelling buildings, which would enable different households to live in the same building, but in separate dwellings. In this way several targets will be met: the area will not be depopulated, young people will have the possibility to become independent and the proximity of generations will allow for inter-generational assistance and contribute to strengthening social connections among the population.

Amendments to the national spatial policy and of local spatial documents and spatial planning and building legislation will make such conversion of single dwelling buildings possible. The planned amendments to the building legislation will introduce solutions that will allow making necessary minor building interventions on the basis of a simple administrative permit, while the spatial planning legislation will define space management rules.

4.4 Building of new housing in areas where there is the greatest need

The primary aim of building new dwellings must be to increase the rental housing stock.

In new buildings the following priority measures will be implemented:

- National guidelines and financial incentives for constructing new dwellings in priority development areas aimed at the housing supply will provide for a better accessibility of housing where housing needs are the greatest.
- Establishment of public-private partnerships will contribute to speeding up public rental housing building projects.
- The adoption of legislative requirements at the national level will provide for active implementation of the land policy at local levels.

Statistical data show that in Slovenia there is a high share of unoccupied dwellings in relation to the volume of the housing stock and in relation to the number of housing units needed. The housing shortage results from the imbalance in the territorial distribution of unoccupied dwellings, the quality of the housing stock, the need of the population for housing in adequate locations and the population's financial capacity to meet its housing needs.

4.4.1 Building of public rental dwellings

Shortage of housing in areas where the demand is the greatest (in cities and their outskirts) and the population's diminishing financial capacity to address their housing needs call for the state to invest in order to increase the volume of the rental housing stock. In addition to other measures (such as the service for managing rental housing, renovation), constructing new public rental housing units will also contribute towards the growth of the public rental housing stock.

As a matter of priority, activities and measures for the construction of public rental housing will be directed to areas where the needs of the population and of the private sector are the greatest. For this purpose the ministry responsible for spatial planning will, in the framework of revamping strategic spatial planning guidelines, define priority development areas for housing supply (PROSO) that will be included in the upgraded Spatial Development Strategy of Slovenia. By including PROSO in its guidelines for settlement development the ministry will manage the implementation of the national housing and spatial planning policy at both the local and regional levels in areas where the need for housing proves to be the greatest.

During the National Housing Programme programming period the Slovenian Housing Fund will give precedence to co-financing the building of new rental housing. At least 60% of the resources allocated for construction of new dwellings will therefore be directed toward constructing housing in PROSO areas.

In view of the shortage of public funds the establishment of public-private partnerships will also contribute to speeding up the delivery of public rental housing. Active

implementation of the land policy at the local level will, along with other measures (financial measures, regulation of tenancies), help to create conditions that will attract investments in the public rental housing sector.

Alternative ways of living - housing cooperatives

By adopting measures in various fields the state provides the opportunity to create alternative forms of living (ownership) that will help to attain the set targets of improving the housing supply. Housing cooperatives are already being considered as one of such alternative options in view of building affordable rental housing that meet the needs of potential users (location, furnishing, volume, floor space). In most developed countries housing cooperatives are, second only to public housing funds, the major providers of rental housing at favourable rental prices. Housing cooperatives operate by way of shared purchase in the cooperative. The building land (long-term lease) is provided under more favourable conditions by the local community. The cooperative carries out all the necessary tasks – preparing the project, constructing and managing the building. Tenants are members of the cooperative and have the right to participate in managing the building.

In the future additional possibilities for alternative forms of living will be examined, and the relevant information will be presented to the general public. This will increase the range of options offered to individuals when addressing their housing needs. In promoting alternative forms of living an important role will be played by various non-profit housing organisations and NGOs. The option that alternative forms of living would be carried out by social enterprises will also be examined, as far as possible and as appropriate.

4.4.2 Active land policy

The analysis of the production price of dwellings in multi-dwelling buildings in Slovenia in 1993-2003 showed that the major part of the cost is represented by the cost of construction; in 2003 the mean production cost was the following: cost of construction 73.5%, cost of land 16.3% and other cost (project documents, charges and contributions, supervision) 10.2%.⁹ In Ljubljana, the cost of land in the price structure is even higher and is 22%, cost of construction is 69%, and other costs 9%.

The ministry responsible for spatial planning and housing is already preparing a legal framework for land management and housing construction that will link strategic and operational spatial planning at local communities levels and will, through an active land policy, provide for rapid and efficient realizing of public interest in spatial planning, while incentivizing the establishment of partnerships and providing investments, such as low-profit housing organisations and cooperatives. Spatial planning measures must be linked to financial measures, real-estate registries and spatial development indicators, and must enable efficient management of land in the public interest. For this purpose the project for incentivising active land policy will focus on the acquisition of land for the implementation of the active land policy and provision of infrastructure on such land, the definition of priority development areas for housing supply, ensuring rapid and effective implementation of spatial planning documents, and improvement of living conditions in degraded areas by means of integrated renovation.

The planning of public rental housing on land owned by the state or municipalities allows for reducing the prices of housing, as the cost of land is not directly included in the cost of the dwelling. The sensible thing to do is that the state and the local communities provide the initial investment in the form of land with infrastructure in place in order to ensure an adequate amount of public housing. Registries of real estate owned by the state and by

municipalities will be established, and a public service for managing building land will also be established.

The state recognises the primary competence of municipalities for spatial planning at the local level. The state will assist local communities in their endeavours to provide housing for their inhabitants by transferring state-owned land to local communities. Adequate legal bases for the establishment of a system transferring land to local communities will be prepared, as well as for transferring land among state institutions. Local communities will have the exclusive competence of managing building land. By planning adequate spatial arrangements for providing housing, and implementation of public-private partnership projects they will be instrumental in the attainment of the targets of the National Housing Programme.

Through adequate regulation of spatial development the state will endeavour to establish an extensive system of land policy instruments, including administrative, spatial planning and financial instruments, which will allow for an integrated implementation of strategies and development programmes related to spatial planning.

With an active land policy the state will stimulate local communities to a more engaged planning of the housing supply, together with appropriate infrastructure and services. The land policy instruments will allow municipalities to gather funds from investors, funds that will be used exclusively to implement measures to spur local development. These measures cover the provision of adequate infrastructure (energy, traffic, drinking water supply, wastewater discharge, waste management) and services (public transport, education, health care). Proper earmarking and use of earmarked funds will in the long-run attract additional investments and thus help to generate further development at the local level.

4.5 Implementing bodies and supporting activities

Transparent and efficient implementing bodies and the clear distribution of tasks contribute to successfully meeting long-term housing targets. The main decision-making body for implementing the housing policy will be the Council of the Slovenian Government for the Housing Policy. The complex nature of housing demands that the Council for the Housing Policy be composed of a large number of stakeholders, including representatives of all relevant line ministries and also representatives of the lay public and professionals.

The institution responsible for implementing the housing policy is the ministry responsible for housing, which prepares and implements the housing policy, prepares the sector-specific legislation and provides administrative assistance to the Council for the Housing Policy. It also ensures coordination with other sectors for implementing measures in housing, such as the social affairs sector, the public finances sector, the tax policy sector, the economic development sector, the spatial planning sectors and others).

At the national level the institutions implementing the housing policy are, in particular the Housing Fund of the Republic of Slovenia, the Real-estate Fund PIZ, the Surveying and Mapping Authority of the Republic of Slovenia, the Eco Fund and the relevant housing and tax inspection services. At the national level the entities implementing the housing policy are local communities, local housing funds and non-profit housing organisations.

At the local level implementation of housing measures is supported also by different NGOs that mostly address the housing needs of the population groups that are most at risk, as well as NGOs, which raise the population's awareness about alternative ways of

providing for one's housing needs (e.g. housing cooperatives) and on the importance of changing one's residential habits in order to attain a higher quality of life (day centres, inter-generational centres, various energy-counselling offices). In the future all supporting activities provided by professional institutions will hopefully be linked into a single promotion network aimed at attaining better synergistic effects in the promotion of energy-efficient renovation of buildings and of advanced construction methods.

4.5.1 Housing Fund of the Republic of Slovenia (SSRS) - the principal institution for implementing the housing policy

The Housing Fund of the Republic of Slovenia's mission is to implement the measures and carry out the activities of the housing policy, as provided by the Housing Act and the National Housing Programme, at the national level.

In the past the Slovenian Housing Fund, in compliance with the programme in force, carried out activities aimed at balancing the real-estate market and providing public housing supply at the national level. The lack of common strategic guidelines and support from all the relevant sectors resulted in activities that were poorly coordinated and measures that did not attain the desired results.

If the Housing Fund of the Republic of Slovenia is to become the principal body for implementing the measures and activities of the housing policy at the national level and the initiator of new approaches to the housing supply in Slovenia, trust in this institution must be restored. Its mission must be re-defined and its tasks specified in view of attaining the housing policy targets set in the National Housing Programme.

The Slovenian Housing Fund must, more than anything else, become the provider of rental housing. Its current role of investor and builder of housing for the market must be replaced by the role of provider and manager of rental housing stock and in this way contribute to increasing accessibility of housing for all citizens, and in particular for those who are not able to buy their dwellings.

In the future, the increased supply of rental housing by the Slovenian Housing Fund will serve as counterweight against market rental housing, and will thus contribute to stabilizing and regulating the rental housing market. In order to increase the rental housing stock the Slovenian Housing Fund will also act as the public service for managing public rental housing. It will also increase its housing stock by effectively managing its own funds. In doing so it will apply the principle of replacing each rental dwelling sold by at least one new rental dwelling.

The Slovenian Housing Fund will create the rental housing stock in compliance with spatial development trends and the needs of the population and the production sector. The Fund's rental housing stock will allow persons to apply for dwellings that are not located in their municipality of permanent residence; this will enable people to move closer to their jobs and will, consequently, reduce environmental pollution resulting from daily commuting.

As part of the transfer of non-performing assets to the Bank Assets Management Company (DUTB), non-performing assets secured by a home mortgage were also transferred. The intent was to rapidly bring back into use unoccupied and unfinished dwellings secured by DUTB mortgage. The ministry responsible for finances will prepare, in cooperation with DUTB, a single inventory of dwellings. The Slovenian Housing Fund will assess the dwellings in terms of their adequacy for target groups of users of the Fund, and in terms of financial means needed to ensure their complete functionality. In line with the guidelines of the National Housing Programme and its own business policy the Fund will be

able to include these dwellings in its housing stock; the option of amending the law in view of permitting the Fund to participate in public auctions of real estate (immovable property) will also be examined.

In the long run the Slovenian Housing fund will continue to strengthen its role as the investor of housing supply at the national level. It will develop, in addition to the existing offer of various financial instruments and models, new possibilities of financing. In the future it will direct its activities into financing the supply of public rental housing in areas where the need for such supply is the greatest – i.e. in the PROSO areas. By 2020 the Fund will allocate for this task at least 60% of all its funds earmarked for encouraging new construction. It will promote the establishment of public-private partnerships and provide assistance for the creation of alternative forms of housing supply, such as cooperatives. It will offer to young people and young families various schemes for addressing their housing needs, such as rent to buy, guarantees for borrowing, joint-ownership, and similar.

In the future, the Fund will also act as the entity that will co-finance special purpose units and dwellings. For this purpose it will coordinate the drafting of the scheme for supplying housing units during the period of the implementation of the National Housing Programme 2015–2025.

For the renovation of the housing stock the Slovenian Housing Found and the Eco Fund will provide joint schemes and instruments for the implementation of various types of renovation (energy-efficiency, functional). With their experience and staff they will assist in the establishment of a "one-stop-shop" that will provide information concerning renovations for individuals and also for renovations of multi-dwelling buildings and residential neighbourhoods.

In order to attain the optimal occupancy of dwellings managed by the Slovenian Housing Fund, of the housing units and of the dwellings for people with special needs, a single register of these dwellings will be kept. The establishing of the register will be the joint responsibility of the Slovenian Housing Fund and the Surveying and the Mapping Authority of the Republic of Slovenia. The data to be included in the registry will have to be provided by local communities and by all relevant line-ministries. The registry will be kept at the national level and will be accessible through the Housing Fund of the Republic of Slovenia.

5. Monitoring the implementation of the National Housing Programme

A system of monitoring of the effectiveness of the implementation of the measures and the achievement of the National Housing Programme's set targets will be put in place. Monitoring will be carried out by the ministry responsible for housing. The bodies responsible for individual activities will have to submit data necessary for effective monitoring of the housing field to the ministry responsible for housing on a yearly basis. The regular monitoring of the implementation of the National Housing Programme will provide an overview of the efficiency and adequacy of the measures adopted in view of achieving the set targets.

The efficiency of the implementation of the National Housing Programme will be monitored by using a certain number of indicators, and will be divided in two separate exercises:

1. Monitoring the activities defined in the National Housing Programme

The aim of monitoring the implementation of activities is to provide an ongoing assessment of the effectiveness of the projects carried out. The action plan defines activities to be carried out under each project, the body in charge of the implementation and the time

limit for the termination of the activity. Project activities will be monitored by means of selected indicators, defined in qualitative terms, of the number of activities carried out in individual priority areas of the National Housing Programme, and of the number of measures completed (measures where all the planned activities had been carried out).

2. Monitoring the impact of measures and the attainment of the housing policy targets

The purpose of this monitoring is to evaluate the programme in terms of effectiveness of measures carried out in accordance with the set targets. The aim of activities and measures defined in the National Housing programme is to achieve the long-term targets of the housing policy. The effects of individual measures and activities on the achievement of the set targets are difficult to directly assess and measure.

The achievement of set targets of the housing policy will be monitored by means of a set of selected housing indicators (Annex 2) and by comparing the established situation and trends to the anticipated effects of measures defined in the National Housing Programme. The anticipated effects of measures are listed in Annex 3. Within five years of the document's adoption a qualitative and quantitative analysis will be prepared on the basis of these selected indicators. The two analyses will be used as basis for the preparation of the new five-year plan. The quantity indicators were selected according to the following criteria: measurability, accessibility, objectivity, clarity and reliability. In this way the indicators may be fully based on data that are collected, treated and published by the Statistical Office of the Republic of Slovenia and the Surveying and the Mapping Authority of the Republic of Slovenia.

The ministry responsible for housing will prepare reports on the implementation of the National Housing Programme for each of the above lots separately. The report for the first lot will be prepared yearly, while the report for the second lot will be prepared at mid-term and at the end of the Programme's implementation. The report will contain the analysis of impacts and of achieving targets, which will serve as basis for the proposal for continuation of implementation of activities and measures, or as basis for their possible modification or adjusting. The mid-term and the final report on the effectiveness of the measures carried out will be submitted to the Government of the Republic of Slovenia for adoption.

6. List of abbreviations

CSD - Social Work Centre
ITI - Integrated territorial investments
DUTB - Bank Asset Management Company
EU – European Union
FURS - Financial Administration of the Republic of Slovenia
GURS - Surveying and Mapping Authority of the Republic of Slovenia
IZS - Slovenian Chamber of Engineers
JSS - Public Housing Fund
MOP - Ministry of the Environment and Spatial Planning
MDDSZ – Ministry of Labour, Family, Social Affairs and Equal Opportunities
MZZ – Ministry of Foreign Affairs
MIZŠ – Ministry of Education, Science, and Sport
MNZ – Ministry of the Interior
MGRT - Ministry of Economic Development and Technology
Mzi - Ministry of Infrastructure
MZ – Ministry of Health
MP - Ministry of Justice

MK – Ministry of Culture
MJU - Ministry of Public Administration
MKGP – Ministry of Agriculture, Forestry and Food
NSP - National Housing Programme
NSOs - Non-profit housing organisations
NGO – Non-governmental organisation
NS PIZ - Real-Estate Fund of Pension and Disability Insurance
REN - Real Estate Register
SSRS - Housing Fund of the Republic of Slovenia
SPRS - Spatial Development Strategy of Slovenia
SURS –Statistical Office of the Republic of Slovenia
SZ-1 - Housing Act
EUE - Efficient use of energy
ZAPS - Chamber of Architecture and Spatial Planning

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National Assembly
of the Republic of Slovenia
Ms Bojana Muršič, m.p.
Vice-President

[Annex 1: Action plan for the implementation of projects 2015-2025](#)

[Annex 2: Selected housing indicators](#)

[Annex 3 Monitoring the achievement of the anticipated effects of the National Housing Programme](#)

[Annex 4: Organisation chart of implementing bodies](#)

¹ In the National Housing Programme the term "public rental dwellings/housing" means rental dwellings owned by municipalities or by municipal housing funds and housing organisations, and rental dwellings owned by the SSRS, which are rented out for non-profit rent to persons eligible to rent a non-profit dwelling, special purpose rental dwellings and market rental dwellings. Staff dwellings are a particular category of dwellings that are intended to provide housing to public employees and high officials employed in the public administration; they comply with Slovenia's Government staff policy and are managed in accordance with the Government Housing Commission Housing Regulations and internal regulations of ministries, and other acts. Staff dwellings are part of the staff policy, and are allocated to employees by their employer, the state; they will continue to be treated as a separate category of dwellings that are part of the staff policy of implementing bodies and will not be transferred to SSRS.

² Grey renting means renting where tenants and landlords have signed tenancy agreements, but rental income is not declared and taxes are not paid; black renting means renting without any tenancy agreement and, consequently, without any legal security.

³ According to the Register-based Census 2011 in Slovenia there were 845,000 dwellings, of which approximately 670,000 were occupied.

⁴ It is evaluated that approx. 5% of the annual amount of rents and charges is uncollectible, and if another 5% is added because of unoccupied dwellings (waiting to be occupied or renovated), uncollectible rents and charges reach 10%. In the pilot project to test the operation of the agency managing 10 dwellings in Ljubljana of 50 m²,

with a rent of EUR 7/m² and charges of EUR 3.7/m², the amount of rental income may be evaluated to EUR 63,000 – of which most probably EUR 6,300 would have to be covered (written off) in the long term. The cost of the measure could be even lower in the case of verifying the financial capacity of the tenant, the use of executable tenancy agreements and the requiring of a deposit in the amount of three to six months' rent.

⁵ In 2000 the Slovenia's municipalities owned 21,260 dwellings. Between 2000 and 2009 municipalities had built 4,513 dwellings. Despite the building endeavours, in 2009 municipalities owned only 15,728 dwellings. In nine years municipalities had reduced their housing stock intended to meet the housing needs of the economically weaker population by 5.532 units (DzP – MzIP, 2014. Stanovanjska problematika v RS [Housing issues in Slovenia], p. 7).

⁶ The cost of constructing these dwellings should not exceed EUR 900/m², provided that the municipality ensures the land and writes off the community infrastructure levy. Under the pilot project, a building for around 20 persons with a gross floor space of 30 m² per person (600 m²) could be constructed. The necessary investment is estimated at EUR 540,000.

⁷ The Eco Fund, a public environmental fund, provides favourable loans and subsidies to eligible beneficiaries to assist them in enhancing the energy efficiency of their homes. These financial incentives are very appealing and are attaining good results without any legal compulsion. It is, therefore, sensible to use the two financial instruments that proved to be effective - providing subsidies and favourable loans for renovations, both energy-efficiency and functional.

⁸ Energy efficiency is of utmost importance in attaining the targets of the energy policy and of state's broader development targets – in particular because of its potential to increase competitiveness of the society and promote green growth and employment. Efficient use of energy contributes significantly to guarantee the strategic security of supply by reducing the dependence on imported fossil fuels. Increased energy efficiency is among the most cost-effective measures for attaining the target of reducing greenhouse gasses and attaining the 25% target share of renewables in gross final energy consumption by 2020. Energy efficiency is also crucial for households, as it results in reduction of costs, increases purchasing power and improves the quality of life, and helps to adapt to climate changes.

⁹ Analiza gradbene panoge v Sloveniji in cen gradnje [Analysis of the building sector in Slovenia and of cost of construction], Cirman, A., Polanec, S.: University of Ljubljana, Faculty of Economics, 2005.