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HOUSING SUBSIDIES IN SLOVENIA IN THE LIGHT OF AUSTERITY MEASURES

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Abstract

Housing subsidies in Slovenia have been introduced in 2000 with the amendments of the 1992 Housing Act. However, these were reserved exclusively for tenants in the non-profit sector. Due to their positive results, the Government also introduced the subsidies for tenants in market rentals. Apart from the subsidies for rentals, there were several other subsidies offered, especially for purchases of dwellings by young families resolving their housing issues for the first time and for other categories of citizens. However, the present economic crisis has put a major pressure onto the budgetary means of the Government. Therefore, some austerity measures were introduced in the last few years, which took its toll on the subsidies as well. The purpose of the paper is to present the positive effects of subsidizing households' housing expenses, especially those renting under the market conditions. The number of applications by young families for both purchases and rentals (over 26,000 in six years) indicates that the need for this type of assistance is huge. At the same time, the paper will strive to indicate the possible side effects of the austerity measures in the resent housing situation in Slovenia. According to the analysis of the National Housing Fund, this step tends to deprive over 10,000 young households in the years to come.

Keywords: subsidies, non-profit, housing

1. INTRODUCTION

The recent economic crisis has affected almost every aspect of household consumption in Slovenia. In particular, the consumption of those with a prominent need for financial aid through the system of social assistance has been affected. This can be attributed to the 2012 Fiscal Balance Act, as well as some other statutes. The 2012 Fiscal Balance Act introduced a number of austerity measures, which cut back or reduced certain benefits to households in need. Among others, it reduced and abolished certain the housing subsidies, intended for young households.

Prior to the dissolution of the Socialist Federative Republic of Slovenia (hereinafter: the SFRY), housing was regarded as a social good. The socialist regime emphasized the right to adequate housing, while neglecting the ownership right to a certain extent. (Nelson, 2005, p. 13) Housing policy was oriented towards distributing the housing stock among all citizens. However, after the dissolution of the SFRY, housing and social system in Slovenia changed. The new Government took a completely different approach regarding the two policies. The new role of the Government encompassed primarily enabling appropriate housing conditions for citizens. (Gorenčič, 2005, p. 13) This shift was primarily seen in the newly enacted Constitution[1], as well as the 1991 Housing Act[2].

The 1991 Constitution proclaimed Slovenia as a state governed by the rule of law and as a social state.[3] With this provision, the Slovenian legislator indicated that the social issues of citizens are considered as a priority. On the other hand, pursuant to Article 78 of the 1991 Constitution, the state is only to create opportunities for citizens to obtain proper housing. Šturm interprets this provision in a way that state holds a responsibility to provide appropriate *housing conditions* for its citizens, while it is their responsibility to find suitable home within such framework. (Šturm, 2002: 761-763) Various housing benefits and subsidies are a part of the ‘‘housing conditions’’, since they provide citizens with financial help for providing a proper home.

Up to the present day, there have been several housing subsidies offered to citizens. Some of them were intended as assistance for buying own dwellings, while other were intended for rentals. One could be tempted to conclude that the demand for rental subsidies, and especially market rentals, could not be high, since 77% of dwellings in Slovenia are owner-occupied, 14% are used by users[4], while a mere 9% are renters (in all four types of rentals[5]). What is more, the official[6] number of market rentals is quite small compared to the non-profit rentals, which encompass 70% of all rentals. (SORS, 2011) However, the data may be misleading. The black market of rentals is flourishing, so the high number of ‘‘users’’ may actually resemble hidden market rental relations. This is why the number of household in need of housing assistance may actually be (and is) higher.

The paper will demonstrate the positive effects of subsidies for the households’ budget, as well as for the entire housing sector, society and economy. Part one will present the historical circumstances relevant for the housing policy in Slovenia. Part two will describe the housing subsidies and benefits offered so far. Part three will summarize the

[1] Official Gazette RS, 33/1991 from 28 December 1991.
[2] Official Gazette RS, 18/1991 from 3 October 1991.
[3] Article 2 of the 1991 Constitution.
[4] Meaning that they are not the owners of the dwelling, nor are they paying any compensation for use.
[5] Market, non-profit, employment based and purpose apartments.
[6] The term must be interpreted in the light of the present situation regarding monitoring the number of rental units in the country. There is no official registry of rental contracts, while the black market in this sector is vivid. Thus, the used term ‘‘official’’ refers only to data provided through the latest Census.

findings and draw attention to the negative effects of austerity measures for the housing sector.

2. HISTORICAL BACKGROUND

During the period of socialism, housing was highly subsidized. The rent price of social apartments was so low, that it did not demand for the subsidy, though, but the running costs (for water, electricity, etc.) were subsidized. However, tenants in market rentals could not obtain such subsidies, since they could not obtain a formal rental contract. (Bežovan, 2008) Thus, the subsidies were reserved for tenants in social apartments, reducing their housing costs to mere 4% of the overall household's consumption. (Mandič, 1994) Nevertheless, there were certain individuals, who were unable to arrange their housing situation and needed help from the state. The small existing need was settled through the system of solidarity apartments. From the beginning of 1970s, there was an obligation for the Republics and autonomous regions to extract certain amounts for housing construction of solidarity apartments. The responsibility for constriction was given to the Public Housing Enterprises, which distributed the funds according to their internal acts. Centres for social work in each of the municipalities allocated these units, based on certain eligibility conditions. For instance, the unit could be allocated to a household, in which only one member was employed. Only the Slovenian Housing Economy Act from 1981[7] contained an explicit provision on the allocation of these apartments, while none of the statutes of other republics contained such provisions. (Nelson, 2005, p. 23) At the beginning of nineties, there were 29% of social and 4% of solidarity apartments, while the rest of the stock was comprised of private dwellings. (Mandič, 1994, p. 40)

The new housing policy, introduced after the independence of Slovenia, completely changed the housing circumstances in the country. Virtually the entire housing stock was privatized, following the enactment of the 1991 Housing Act. At the end of the privatization, the ratio of privately owned to publicly owned dwellings was 88%:12%. These 12% were represented by 23,652 municipal dwellings, out of which 17,224 were non-profitable and 5,236 were intended for socially disadvantaged (Šinkovec & Tratar, 2003, p. 33-34). The main consequence of this process was that the number home-owners in Slovenia increased drastically.

In addition to the process of privatization, the 1991 Housing Act established a legal base for the enactment of the National Housing Programme (hereinafter: the NHP) with its Article 77, as well as for the establishment of the Housing Fund of the Republic of Slovenia (hereinafter: the HFRS) with Article 79. The first draft of the NHP was adopted by the Government in 1995. However, it was not enacted in the Parliament until May 2000[8]. (Sendi, 2012, p. 21) The HFRS has been entrusted with the execution of the NHP. The 2000-2009 NHP represented a comprehensive programme, regulating the long-term development of the housing sector. The programme identified in particular the problem of deteriorated housing stock. In addition, it anticipated the increased need for rental units in the future. Therefore, the main goal of the NHP was to increase the scale of construction of dwellings, as well as to achieve construction and renewal of at least 10,000 dwellings annually in the ten-year period. (MESP, 2011, p. 4) It did not neglect the role of municipalities in provision of housing - it determined direct and indirect measures for both the state and the local communities. The direct measures included legislative, organizational and financial measures, whereas the indirect involved taxation, social and spatial measures. The responsibility of local communities was in generating social housing stock, managing subventions and co-financing the generation of non-profit housing stock by means of providing construction lots and infrastructure. (MESP, 2011, p. 4)

[7] Official Gazette SRS, no. 3/1981.
[8] Official Gazette SRS, no. 43/2000.

2.1. The circumstances in the last decade

In order to increase the supply of non-profit apartments, the 2000−2009 NHP set as one of its goals the construction of 13,950 non-profit dwellings and 48,300 market dwellings within the period 2000 through 2007. (MESP, 2011, p. 6) However, the plans were far from adequately achieved. Ultimately, the entire construction reached 92% of the estimated construction. The construction of market dwellings exceeded estimated construction by almost 9%, whereas the construction of public units was only 32.5%. (Mežnar & Petrović, 2013)

Another measure for increasing housing prosperities of citizens was anticipated in the form of the National Housing Savings Scheme (hereinafter: the NHSS), enacted with the National Housing Saving Scheme Act[9]. The purpose of the scheme was to give citizens an incentive for individual savings to settle housing. It offered a possibility of obtaining a loan, which was double in value than the sum of savings upon the expiry of the saving period under a set (fixed) interest rate. Regardless of the favourable conditions available through the scheme, it attractiveness decreased over the years due to the increased offer of equally favourable commercial bank loans. In addition, the amendments of the National Housing Saving Scheme Act in 2006 and 2007[10] lowered the premium. To illustrate this: in 2008, less than 30% of the available lots were sold. (HFRS, 2012, p. 14) Therefore, pursuant to the provisions of the Fiscal Balance Act[11], new savings contracts are no longer available and only the contracts, concluded in the past, are to be realized. (HFRS, 2012, p. 14)

In 2003 a new Housing Act[12] was enacted. The new statute reorganized the types of tenure in Slovenia. Primarily, it abolished the category of social apartments by summarizing it within the non-profit sector. Thus, non-profit rentals are now comprised of rentals, for which tenants either pay their own participation or not. The own participation is compulsory contributions of tenants in non-profit sector, whose level of income exceeds the level from the Rules on renting non-profit apartments[13] for obtaining an apartment without one's participation. The value of own participation can amount to maximum 10% of the value of the non-profit apartment according to Article 116 of the 2003 Housing Act. The parties conclude a special contract on the conditions of payment and reimbursement of the own participation. The value of the participation is reimbursed at latest in ten years under 2% interest rate.[14] Selected applicants, whose household's income does not exceed this value, do not pay the participation. This category actually resembles the previous category of social apartments and can be awarded only to the most financially underprivileged. Municipalities and non-profit housing organizations are in charge of the allocation of non-profit apartments. Each municipality or the non-profit housing organization (if the latter is established in the particular municipality) organizes public tenders for its territory and determines the priority group, to which the apartments are to be allocated (young, elderly, bodily impaired, families with school-aged children). Apart from the incomes, relevant criteria for the allocation are present housing situation, number of household members and possible bodily or mental inabilities and dysfunctions. The HFRS conducts public tenders for non-profit rentals, in addition to tenders for market rentals and tenders for sales under favourable conditions. Municipalities are obliged to balance the allocation of the apartments available to both categories (with and without own participation) and are to reserve at least 50% of the available apartments for the social category.[15] Tenders are driven by the rules of administrative procedure. Decisions on the selection of entitled

[9] Official Gazette of RS, no. 86/2000 of 15 September 2000.
[10] Official Gazette of RS, no. 14/2006 of 2 February 2000 and no. 60/2007 of 6 July 2007.
[11] Official Gazette of RS, no. 40/2012 of 30 May 2012.
[12] Official Gazette of RS, no. 69/2003 of 19 June 2003.
[13] Official Gazette of RS, no. 14/2004 of 3 February 2004 and later amendments.
[14] Article 12 of the Rules on Renting Non-Profit Apartments.
[15] Article 87(8) of the 2003 Housing Act.

applicants are reached no later than in six months from the notice on the tender.[16] After the final lists are composed, rental contracts are concluded between rightful claimants and landlords (non-profit organizations or municipal housing bodies).[17]

3. HOUSING SUBSIDES AND BENEFITS

The current system of housing subventions was presented with the 2000-2009 NHP. Prior to the enactment of this act, the system of subventions in Slovenia encompassed only provision of so-called ''object related'' subsidies[18]. The so-called ''subject related'' subsidies were quite restrictive and included only the most socially deprived citizens. The 2000-2009 NHP recognized the need for broadening the circle of rightful claimants also in the ''subject related'' group of subsidies. Therefore, it predicted larger scope of public expenses for both types of subsidies, as well as for generating new social apartments, since the two measures were seen as one of the most fundamental issues of the public consumption policy of both the state and municipalities. In addition, the measures represented necessary prerequisites for the realization of the 2000-2009 NHP.[19]

3.1. Subsidy for non-profit apartments

The amendments of the 1991 Housing Act in 2000[20] finally introduced the subsidization of the non-profit rents. The subsidy was assigned by the municipal organ based on the means-test. The same means-test was used for awarding both rent subsidies and social rental apartments. At first, eligible tenants were exercising their right twofold: with the municipal organ (in form of a reduced rent price), as well as with the Centre for social work (in form of a higher pecuniary social assistance).

The system was somewhat altered with the enactment of the 2003 Housing Act and its later amendments. The new means threshold was set and is still currently valid: it corresponds to the means threshold as determined for awarding citizens with pecuniary social assistance, but increased for 30%. The novelty was also that the subsidy was awarded only for the area of the dwelling, which was recognized as appropriate in relation to the size of the household. Furthermore, the amount of the subsidy is set from 0.1% to 80% of the non-profit rent. Tenants with higher incomes receive lower subsidies, but all tenants are obliged to pay 20% of the rent price. (MESP, 2011, p. 7-8; Mežnar & Petrović, 2013)

The level of the subsidy is calculated as a difference between the non-profit rent and the income of the household, reduced for the minimal income in the country and 30% of the household's income. Relevant for the calculation are the monthly rent (without the effect of the location on the level of the rent[21]) and the actual area of the dwelling, which is recognized as appropriate in relation to the size of the household.[22] The subsidy is awarded for one year period and its value is fixed within this period. Given that the circumstances of the household change during this year (that the income decreases or that the number of household members changes), the tenant is entitled to demand that the new level of subsidy is calculated.[23] Tenant is entitled to apply for the subsidy also in the following year(s), if the circumstances in the household still meet the conditions for the subsidy.[24]

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[16] Article 87(2) of the 2003 Housing Act.
[17] Article 87(3) of the 2003 Housing Act.
[18] This refers to such subventions, which are in connection to the acquisition and use of dwellings, or both.
[19] Sections 1.2.4. b) and c) of the 2000-2009 NHP.
[20] Official Gazette RS, no. 1/2000, from 7 January 2000.
[21] This is one of the elements relevant for determination of the rent price, apart from the size of the apartment and its value.
[22] Article 121 (4) of the 2003 Housing Act.
[23] Article 121 (6) of the 2003 Housing Act.
[24] Article 121 (7) of the 2003 Housing Act.

Under these conditions, there were 6,067 entitled tenants in non-profit rentals in the year 2010. The overall expenditure for subsidies was 6.5 million EUR, while the average subsidy was 90 EUR a month per household. (MESP, 2011, p. 20)

Table 1 and 2 indicate the number of rightful claimants and annual amounts of subsidy for the period 2000-2009, separately for the old and the new system of awarding. It is evident that, even though the number of the rightful claimants during the period 2000-2004 was somewhat higher than in the period 2005-2009, the overall amount of subsidies awarded is almost two times higher, indicating that the monthly value of the subsidy increased as well after the introduction of the new system. However, it must be acknowledged that the non-profit rent prices were gradually increasing during the period 2004-2006, in accordance with Article 19 of the Decree on the Methodology of Determination of Rents for Non-Profit Housing and the Criteria and the Procedure for Implementation of Subsidised Rents[25]. Thus, the increase of the subsidies also resembles the increase of the non-profit rents.

Table 1.

The number of rightful claimants and the amount of subsidy for non-profit rentals within the period 2000-2004 (old system)

Year	Increase of the pecuniary social assistance due to rent price (with Centres for social work)		Decreased rent price due to inability to cover the entire amount of the rent price (with the municipal body)		Sum of benefits given out by both institutions	
	Number of rightful claimants	Annual amount (in EUR)	Number of rightful claimants	Annual amount (in EUR)	Number of rightful claimants	Annual amount (in EUR)
2000	2,300	1.170.551	/	/	2,300	1.170.551
2001	2,500	1.174.113	1,720	207.753	4,220	1.381.866
2002	2,740	1.266.881	2,050	448.803	4,790	1.716.684
2003	2,750	1.317.903	5,500	2.329.009	8,250	3.646.912
2004	3,354	1.697.094	6,894	3.373.346	10,248	5.070.440
Sum 2000-2004		**6.626.542**		**6.358.911**	**29,808**	**12.986.453**

Source: Analysis of the 2000-2009 NHP (MESP), p. 14. The last row is added by the authors for easier interpretation.

Table 2.

[25] Official Gazette RS, no. 131/2003.

The number of rightful claimants, the amount of subsidy for non-profit rentals and average monthly subvention within the period 2005-2009 (new system)

Year	The sum of finance for subventions of non-profit rents in EUR	Number of rightful claimants	Average monthly subvention per rightful claimant
2005	3.884.157	5,454	59
2006	4.854.401	5,694	71
2007	5.293.056	5,807	76
2008	5.363.160	5,333	84
2009 (estimation)	5.508.000	5,400	86
Sum 2005-2009	**24.902.774**	**27,688**	
Sum 2000-2009	**37.888.227**		

Source: Analysis of the 2000-2009 NHP (MESP), p. 15

3.2. Subsidy for young families

The 2006 and 2007 amendments of the NHSS Act[26] introduced another novelty regarding housing benefits: the subsidy for young families who accessed housing through purchase, construction, reconstruction or change of the purpose of existing buildings, and subsidy for market rentals. (MESP, 2011, p. 9) The eligibility for the subsidy was based on the following criteria: Slovenian or EU citizenship[27], concluded sales contract for a dwelling or the final construction permit, issued after 1 March 2006, status of the young family, number of household members and income treshold. The status of young family was assessed according to the age of one of the parents: he was not to be older than twenty eight years (or thirty years, if they were doctoral graduates), while at least one of the children must not have been a school-age child. The subsidy was awarded for eight years and ranged from 160 EUR per family member in the first year to 300 EUR in subsequent years. Due to the high number of eligible claimants in 2011, the subsidy was reduced to 120 EUR per family member. (HFRS, 2012, p. 14)

Within the 2006-2011 period, the HFRS has announced six public tenders for both of these subsidies. The complete number of applications was 26,637, of which 20,485 were eligible for one of the subventions, amounting to eighteen million EUR. (HFRS, 2012, p. 14)

Both subsidies for young families searching for their housing for the first time were cancelled under the amendments of the Fiscal Balance Act. The subsidies are not going to be paid even to the rightful claimants to whom it was awarded within the period 2006−2011, nor are they available for the future applicants.

3.3. Subsidy for market rentals

One of the most important benefits was introduced with the amendment of the 2003 Housing Act in 2008[28]: subsidy for tenants in market rented apartments. The subsidy is available for claimants who meet the means threshold as set for the subsidies for non-

[26] Official Gazette RS, nos. 14/2006 and 60/2007.
[27] For the EU citizens additional prerequisite is that they must also have the permanent residence permit in accordance with Article 160 of the 2003 Housing Act.
[28] Official Gazette of RS, no. 57/2008 of 10 June 2008.

profit rentals.[29] In addition, they must also meet other eligibility conditions for obtaining a non-profit rental (see section 3.2. above). A prerequisite is that the claimant had previously applied for a non-profit apartment, but was not selected by the awarding committee due to the limited number of available apartments. The claimants are also able to apply for the subsidy, if there was no tender in their municipality for more than one year.[30]

The subsidy is calculated as a difference between the acknowledged non-profit rent of 3 EUR/m^2 and acknowledged market rent, which differs between the regions and can amount to 4 – 7 EUR/m^2. (MESP, 2011, p. 21)

During the first year, in which these subsidies were available (2009), forty nine municipalities paid subvention to 307 tenants, amounting to 153.516 EUR. The number rose the following year, when sixty eight municipalities paid subvention to 782 tenants. The same trend of increase was observed also in the following years.

The greatest contribution of these subsidies is that the pressure onto non-profit rentals has decreased. With rising number of applicants for non-profit rentals and limited number of available units, the subsidy for market rental is a useful tool for reducing social hardship of many households in need.

3.4. Guarantee Scheme for natural persons

Since the economic crisis brought certain inconveniences for the entire economy and especially construction sector, the Government introduced The Republic of Slovenia Guarantee Scheme Act[31] in order to alleviate the consequences thereof. The Act offered a new possibility for certain natural persons to obtain a housing loan with the state's guarantee. The main objective of the scheme was to assist the unemployed, who were laid off due to business reasons and for other socially disadvantaged individuals (irrespective of the crisis). The eligibility criteria included having a permission for permanent residence in Slovenia and being employed for a fixed period of time, resolving the housing situation for the first time, being a member of a young family[32] or an unemployed person who lost their job after 1 October 2008.

The duration of the scheme was set for two years, from 2009 until the end of 2010, as the economic situation expected to improve by then. The HFRS approved 173 schemes in 2009 and 247 in 2010, while rejecting a mere twenty one application in 2009 and 2010. (HFRS, 2012, p. 16)

4. FUTURE OF HOUSING SUBSIDES IN SLOVENIA

At present, only subsidies for non-profit and market rentals are available for citizens. Other subsidies and benefits have been either partially or in total cancelled.

The new NHP for the period 2013−2022 (which has not been enacted yet) is to reorganize the entire sector of housing benefits in Slovenia. The main goal of the 2013-2022 NHP is to create conditions to obtain adequate housing, while it is being led by the principle of public interest. Goals for creating efficient and balanced housing supply are emphasized. A new categorization of dwellings is foreseen with the 2013-2022 NHP: public rental (comprised from previous non-profit, purpose rent and employment based houses) and market rental dwellings. Moreover, the rent price for public rentals is to be unified for all three types. (MESP, 2011, p. 10)

[29] Article 121.b of the 2003 Housing Act.
[30] Article 121.a of the 2003 Housing Act.
[31] Official Gazette of RS, no. 33/2009 of 30 April 2009.
[32] This criterion was determined in the same manner as for the subsidy under the NHSS.

One of the novelties is the housing benefit intended for lower and below-average income households. The main emphasis of the new housing benefit is to encourage households to obtain adequate dwelling, not only according to its size, but also according to other criteria (location, income, rent price and their ability to cover costs). These must obtain such a dwelling on the free market that would suit their needs and possibilities. The benefit would be then an additional support as regards affordability.

Deemed as lower or below-average income[33] is the income, to which a rent price of 9 EUR/m^2 for an adequate dwelling represents less than 40% of the household income. The housing benefit would represent a difference between the rent price of 9 EUR/m^2 and the rent price, which exceeds 20% of the household income. The benefit would be available for tenants in both public and market rentals. (MESP, 2011, p. 21)

The simulation calculations of the HFRS have indicated that the number of rightful claimants would increase almost two-fold with the introduction of the housing benefit: from the present 6,067 of non-profit rental claimants to 12,000; from the present 782 of market rental claimants to around 2,000 claimants. The calculations are based on the assumption that the monthly income census would be 675 EUR net for a single-member household and 1,013 EUR for a two-member household. The housing benefit would amount to 140 EUR and 200 EUR respectively. The same amount of housing benefit would be available to all tenants, irrespective of the location of the dwelling, as well as the type of the rental. Given that the income of the household would increase, the housing benefit would be cancelled. (MESP, 2011, p. 22) At the moment, there are around 6,600 rightful claimants waiting for the non-profit dwelling, around 5,000 would be entitled to the housing benefit. The ultimate number of rightful claimants of housing benefit would be around 19,000 tenants. As a result, from the present 6,9 million EUR needed for the subsidies, in the future there would be around 50 million EUR needed. (MESP, 2011, p. 22)

The austerity cutbacks introduced by the Government have restricted or cancelled many rights and benefits, not just regarding housing, but also in connection with other social policies in the country. Prior to the amendment of the Fiscal Balance Act, there was a change in the social legislation as well, introduced with the amendment of the Exercise of Rights to Public Funds Act[34]. The major change was seen in the manner in which certain rights and benefits are now awarded. Even though the subventions for rent prices were not radically change, the value of other social benefits was reduced, influencing the housing costs as well. The main change is that the value and the size of property owned by the claimants will be taken into consideration when calculating amount of social benefits. Moreover, a dwelling in which the claimant resides is exempt from the calculation only if it does not exceed a certain, i.e. adequate, size[35]. (MLFSA, 2012; Mežnar & Petrović, 2013)

5. CONCLUSION

In light of the present economic crisis, many social transfers have been decreased or cancelled. This has imposed a great burden onto the consumption of many households across Slovenia, including the increase of housing costs. Among the most endangered are especially young families and households with lower incomes, who do not own their own home. These two categories have suffered the greatest reductions of housing subsidies with the austerity measures. The HFRS has estimated that more than 10,000 young families are to be deprived due to the reductions in the following five years. This could lead to

[33] This income represents only the upper limit of a monthly household income.
[34] Official Gazette of RS, no. 40/2011 of 27 May 2011.
[35] For one-member household, the size of the adequate dwelling is 60 m^2.

additional demographic and social constraints, such as delayed independent life, delayed creation of families and parenthood. (vlada, 2012, p. 15) Therefore, one can doubt whether cutting off social and housing benefits is a proper measure in the current economic situation.

It must be acknowledged that the lack of funding has indeed been a major constriction for the execution of the housing policy in Slovenia. This can be illustrated with the circumstances in the financial state of the HFRS, which is one of the main actors in this sector. The anticipated funds from the state budget for the period 2000−2004 were approximately 146 million EUR, while the actually provided funds were around 12 million EUR, corresponding to merely 8.2% of the anticipated funds. (Sendi, 2007, p. 157) In addition, in the period 2009−2011 the state did not increase the capital of the HFRS, while other financial source are as well limited (e.g. non-deposit funds and instruments of the EU) (HFRS, 2012, p. 10)

The new NHP for the period 2013-2022, once and if enacted, is likely to improve the state of the housing benefits in Slovenia. However, prior to the enactment, the Government must carefully design the appropriate measures to be taken as well. A comprehensive approach is needed in order to ensure that the ultimate result of all novelties is not just the change as such, but also the improved housing situation and increased welfare of citizens.

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