



### Housing policy

Slovakia has a slightly increasing population and a reasonably stable economy that has moderately grown over the last 15 years. Its housing system is characterized by a 92% owner-occupied sector, an insufficiently regulated and small private rental sector (6%) and a residualized and shrinking municipal sector (1.6%). Although a cooperative housing sector exists, it does not effectively differ from owner-occupation. The housing market for owner-occupied dwellings has developed significantly in the last ten years in terms of the growing importance of mortgages in housing transactions and the steady increase in housing construction. In addition, the state has been implementing transparent and predictable housing policies.

#### Key features

- ✓ A State Housing Development Fund was established in 1996, which is a revolving fund that also incorporates the related EU funds, thus ensuring a stable financing source for housing subsidies over the years.
- ✓ State housing policy involves two main schemes: (1) preferential loans and grants for municipal housing construction, (2) preferential loans for homeowners to renovate existing housing stock, including energy-efficient investment.
- ✓ A substantial part of the housing stock (e.g. 70% of multi-family buildings) has been renovated thanks to the subsidy schemes.

#### Challenges

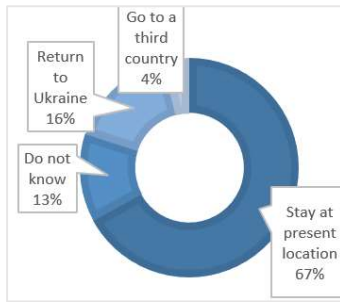
- ⚠ Major cities and the surrounding areas have experienced a significant increase in house prices, housing shortages and affordability problems.
- ⚠ Municipalities with booming house and labour markets do not engage in developing municipal housing stock, which is shrinking nationally due to ongoing privatisation. Smaller municipalities use some housing subsidies to improve the housing conditions of marginalised Roma communities, but the developments do not become part of the mainstream housing sector as they are implemented in a segregated way.
- ⚠ There is a national housing allowance scheme, but it is insufficient for addressing affordability problems.

### Main legal regulations concerning migrants and refugees

The Slovak government quickly responded to the needs of those fleeing Russia's war on Ukraine by adopting the Lex Ukraine Act. No. 55/2022. Beneficiaries of temporary protection can access the labour market, social welfare system, and emergency medical care services. In addition, they can take up work of public interest if unemployed and are exempt from the duty to pay local taxes (e.g., related to accommodation and waste management). The law also states that the government may provide an allowance to support the accommodation of refugees via the municipality where the person resides.

**Slovakia is primarily a transit country** for Ukrainian refugees. In practice, registering for temporary protection status is an accessible and rapid online procedure. Based on this registration, beneficiaries of temporary protection can turn to the Labour Office for cash assistance/social benefits.

## Current refugee situation



The **profile** of UAR households is characterised by a large share of women (71%) and children (36%), with an average household size of 2.6 persons. Around 70% of households left behind at least one household member. Among those staying in the country from July until August 2022, 67% wanted to stay in their current location in Slovakia, 16% wanted to return to Ukraine, and 13% were uncertain. Only a small minority (4%) wanted to travel to another country in the next three months.\* Respondents with a dependent family member (children or elderly) were more likely to stay.

## Accommodation

The government introduced a subsidy to compensate those entities (municipalities, NGOs, commercial and private entities) who provide accommodation or housing to refugees from Ukraine. The subsidy was in force until the end of September 2022 but was later extended until February 2023. Unfortunately, no data on the distribution of refugees in the different forms of accommodation are available. The only data that is accessible shows that during the summer months, **around 7-8% of the refugees lived in commercial accommodation (hotels and guest houses) that received a state subsidy.**

### Immediate programs

A whole **new accommodation system** had to be organised as there were only three state reception centres in Slovakia. Municipalities, state organisations, NGOs, private companies and individuals offered accommodation. In the beginning, solidarity housing was provided on a large scale, which shifted toward more market-based rental solutions during the summer.

Refugees could initially stay in **large-capacity reception centres** (such as big hotels and gyms) for a maximum of ten days, but this was extended to two or three months as not enough housing was provided by the private rental sector/ private hosts. The state's financial contribution was extended and raised. Collective sites were often used by women with children who did not feel safe moving out alone to private accommodation, especially in rural areas, as they feared they would lose the support of social workers and their personal support networks that had already developed.

One positive measure is the state's provision of **a unified rental agreement** for those residing in private accommodation, including the apartment owner who receives a state subsidy for the rental. As a result, tenants do not have to pay further housing costs.

For the **coordination of accommodation** two central systems operate – the government runs one, and the other is an online civil initiative; however, according to large NGOs working on the ground, the most useful form of assistance was direct help with flat searching on the local private rental market and within the personal networks of refugees and NGOs. A severe deficiency of the current system is the lack of a mechanism for monitoring the quality of private flats and ensuring safety in dispersed housing.

### Long-term solutions

So far, **the government has not implemented any specific measures to provide refugees with long-term housing**, and it seems that no planning for this is ongoing. The accommodation-related state subsidy has been extended for only five more months. However, this still does not represent a reliable scheme in the long term for landlords or tenants. NGOs have made some recommendations and started to think of potential strategies, but the government has yet to accept these initiatives, thus the process has stalled.

- ⚠ **Locational problems and mismatches:** Ukrainians mainly reside in cities because of the related services and transportation, but many are forced to stay in mass collective sites for extended periods because of a lack of affordable housing. In rural areas, housing and education are available, but access to services, infrastructure (such as transportation) and jobs is limited. Furthermore, as the Ukrainians are mainly women with children, they also worry about their safety in remote places without the support networks they have already developed.
- ⚠ **Legislative system:** legislation on the reception of refugees and granting temporary protection is in place, and there are no major deficiencies. However, as the country has no previous experience providing for a large inflow of refugees, the fundamental mechanisms required to organise accommodation and services are lacking.
- ⚠ **Financial framework:** an accommodation subsidy scheme is available to compensate costs for all types of actors who host refugees, including private individuals. However, it is awarded for a short time, and its extension is unpredictable, which deters private property owners from engaging in housing provision.
- ⚠ **Main housing regime framework and feasibility of long-term solutions:** as the municipal housing sector is very minimal and bigger municipalities are reluctant to use state subsidies to increase their supply, to provide housing to refugees, the private rental sector remains the only solution. However, no mechanisms exist to encourage private owners to rent or host refugee families. It seems that private landlords have been losing interest in renting to refugees because of the unpredictable length of their stay and the availability of subsidies. The state itself has failed to develop a relevant housing strategy.
- ⚠ **Inadequacy of the physical composition of the housing stock:** the main issue is housing availability, not quality. While many refugees have been living in private dwellings, there is no monitoring of the quality of housing and the safety of refugees that could help prevent exploitation and abuse.
- ⚠ **Cultural acceptance issues:** no significant cultural mismatches have been revealed. As the majority of refugees are vulnerable individuals (women, children, and the disabled), the focus has been safeguarding their rights and interests.
- ⚠ **Lack of needed social assistance and other services:** after the initial hiatus, a larger capacity was created in the field of social-, psychological-, employment-, etc. services. One area where the lack of capacity arises is accompaniment services (because of the language barriers). The lack of services is more typical in more rural areas (smaller, more remote towns and localities) where local NGOs are scarcer. However, one pressing issue is the short-term and unpredictable resources available to NGOs, which hinders them from planning in the longer term and increasing their capacity (e.g., to provide services to rural areas).
- ⚠ **Information gaps concerning effective decision-making:** this is a significant problem, despite the existence of several platforms for sharing information and harmonising activities. The government should take the lead and ensure that their and other organisations' data are systematically collected.

## Future perspectives

It seems that the development of longer-term and more systematic solutions for housing refugees is necessary because the return of refugees to Ukraine is not realistic in the near future. To deliver solutions, the Slovak government can rely on its well-functioning State Housing Development Fund, which distributes EU and nationally funded subsidies to the municipal and private sectors. However, there is a **lack of strategic thinking at the government level and efficient cooperation between ministries, NGOs and other civil society actors in this regard.**

## Lessons and Recommendations

The main lesson is that the **private rental sector** can play a substantial role in delivering rapid solutions **when appropriately incentivised**, but if support is not predictable, then private property owners will not engage in initiatives in the long term. Experience also shows that **the sector needs to be better regulated** to become safer and transparent and that long-term, large-scale solutions can only be based on the private sector, as the municipal sector is small. Moreover, **municipalities are not interested** in expanding their housing sectors, a problem which should also be addressed. Furthermore, concrete **recommendations have come from the NGO sector**, which the government should listen to.

### Elaborate a longer-term housing strategy for refugees with a holistic approach

- The strategy should be elaborated with the participation of municipalities, the NGO sector, and grassroots civil organisations.
- It should include housing provision and other areas of refugee provision, such as employment, education, social and health services, and financial aid.
- It should be based on data and information collected from organisations that work on the ground.
- It should involve developing a plan to distribute refugees around the country more evenly; mid-size towns should play an important role. In addition, if education and other services are sufficiently developed, they can be an essential part of the solution, as housing is cheaper and more available in these localities.
- In terms of education, the Regional Coordinators for Education program (developed by the state and UNICEF) is a promising initiative; if implemented in smaller localities, it may make them more attractive to refugee families.

### More substantial involvement of municipalities in delivering short and long-term housing for refugees

- More incentives should be put in place to increase the willingness of municipalities to increase their refugee-housing options:
  - Larger cities should participate in the presently available scheme that supports social housing construction.
  - Mid-sized cities should receive subsidies to help them renovate their unused municipal buildings and convert them into temporary accommodation facilities, including those with shared facilities (kitchens and bathrooms)
- The state compensation (quasi-rent supplement) paid to private property owners should be more predictable, and mechanisms should be developed to monitor the sector (housing quality and tenant safety, especially since refugees are primarily women with children)

### Better coordination among service providers and the more predictable financing of services

- The government should support and incorporate more successful civil initiatives into their coordination system, like the “Who Will Help Ukraine” initiative, which integrated local international NGOs, organisations, and business actors.
- The government should provide more predictable and longer-term financing to service providers, including NGOs, enabling them to plan the development of their services more systematically.

\*Source of pie chart data: <https://data.unhcr.org/en/documents/details/96557>