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**From Post-Socialist Security to Housing
Inequality**

**Housing Tenure, Vulnerability, and Subjective
Wellbeing in Slovenia, 2005–2024**

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1. Main Contribution

The Slovenian housing system has undergone a major transformation since the 1990s, following independence, the transition from socialism, and the financially turbulent 2000s. The state gradually withdrew from the housing system, which was rapidly privatised, while traditional mechanisms of securing housing weakened, creating a clear divide between those with access to ownership and those without, leaving the latter in a structurally disadvantaged position. Housing thus increasingly took on the role of a hidden welfare mechanism, as access to stable housing became a key source of economic security. Slovenia now presents a specific case characterised by a strong dominance of ownership (around 90%), both in its prevalence and in its social meaning (Hafner Fink et al., 2025).

There is very little systematic research on the Slovenian housing system. No comprehensive analysis has examined how the system has evolved across tenure forms (ownership and renting), despite their clear implications for wellbeing. Existing literature on Slovenia consistently shows that private renters are institutionally and ideologically marginalised, often facing higher costs, instability, and lower security, while public renting remains limited in access and availability (Mandič, 2018; Sendi, 2017). However, these patterns have not been analysed in a way that explains how they emerge, persist, or change over time. This is partially due to the lack of detailed data on the rental market, reflecting the long-standing neglect of this sector by the state. As a result, the gap is not only in the missing data but also in how the housing system has been analysed. We lack a clear understanding of how tenure shapes lived housing outcomes and how this relationship has evolved over the past 20 years.

There is therefore a need to understand how individuals experience their housing position and how this shapes broader dissatisfaction, especially since academic international literature shows that housing tenure strongly affects subjective wellbeing (e.g. Elsinga & Hoekstra, 2005), a relationship not yet analysed in Slovenia. To address this gap, the thesis uses new data from the 2024 national housing survey, released in 2025, which has not yet been systematically analysed, nor compared in depth with its only predecessor from 2005 (Hafner Fink et al., 2025; Mandič, 2005). It combines descriptive, multivariate, and decomposition approaches to compare tenure groups and trace changes over time, with a focus on subjective housing and wellbeing outcomes as indicators of lived housing experience. This provides the first systematic evidence on how housing tenure shapes subjective wellbeing in Slovenia over time. The analysis is further informed by engagement with key experts and policymakers in the Slovenian housing field, ensuring that the findings are based on current institutional realities.

The analysis reveals several interrelated shifts in how housing structures individual outcomes. It shows that subjective housing outcomes have now become the main source of difference between individuals, whereas in 2005 differences were primarily shaped by socio-economic characteristics such as income, age, or education. **Differences are now increasingly shaped by how individuals experience their housing conditions.** Life satisfaction is also now closely linked to housing conditions, meaning that those who experience worse subjective

housing outcomes also report lower overall life satisfaction, which was not the case before. Vulnerability has spread across the whole system, including among owners, while renters remain structurally disadvantaged across all outcomes, including life satisfaction, even when individuals are made as comparable as possible. Importantly, tenure differences persist even under comparable conditions, indicating that housing position itself plays a strong role. Lastly, vulnerability has increased most for the youngest generation, which no longer transitions into stable housing positions, even at higher income levels. Given this focus, the analysis does not aim to provide a systematic international comparison, but instead develops a detailed within-country analysis of Slovenia, leaving broader cross-national comparison to future research.

Housing in Slovenia is therefore no longer simply a living condition. It has become a primary structuring force of inequality and wellbeing, shaping how individuals experience stability, security, and overall life outcomes, with tenure positions playing a central role across the system and making policy intervention necessary and urgent.

2. Introduction

Why Housing Matters

Housing is not just a place where we live, it also shapes our sense of stability and security and how satisfied we are with our lives (Elsinga & Hoekstra, 2005). As housing has increasingly become an individual responsibility, and as market pressures intensify, people's housing situations are becoming a key factor in their daily realities. Financial pressure, insecurity, and limited access to stable housing are no longer marginal concerns, but are increasingly common and central to people's life experiences.

At the same time, housing has begun to take on a welfare-providing role, as access to stable housing increasingly determines access to broader social and economic security in settings where direct state provision has weakened (Kemeny, 2001).

Slovenia as an Ownership-Dominated Housing System

In this context, Slovenia represents a specific case of an ownership-dominated housing system. Ownership is prevalent not only in numerical terms, with around 90% of households owning their homes, but it is also institutionally supported, normatively superior, and widely perceived as the preferred and most secure housing tenure, effectively providing long-term security in place of the state (Hafner Fink et al., 2025).

This structure is rooted in the post-socialist transition, during which a large share of the public housing stock was privatised. Over time, the role of the state in housing provision weakened, while responsibility for securing housing shifted increasingly to individuals (Sendi, 2017). As a result, alternative pathways to stable housing remained underdeveloped. The private rental market stepped in for the state, but without sufficient state involvement it quickly developed into a profit-oriented sector rather than a stable housing option. At the same time, the public rental sector remained small and under strain (Cirman, 2017).

While this system appeared stable in the 1990s, its limitations are becoming increasingly visible. Access to ownership is becoming more limited and renting remains insecure, as documented in existing research (Sendi, 2017) and supported by the findings of this thesis. Individuals are then pushed into tenure positions rather than choosing them according to needs and preferences, making housing outcomes a growing source of vulnerability and broader life inequality.

Research Problem

It is widely acknowledged in Slovenian literature that renters are institutionally and ideologically marginalised, occupying a structurally weaker position characterised by higher costs, greater instability, and lower security (Mandič, 2018; Sendi, 2017). However, an important question remains: to what extent are these differences driven by the characteristics of individuals themselves and the conditions they live in, and to what extent are they shaped by housing tenure itself?

In other words, are renters worse off because they differ from owners in observable ways, or does the tenure position alone produce systematically different outcomes? If individuals are made as comparable as possible, do these differences persist?

This raises a broader question about how the housing system has evolved into its current form, and why renting remains such a disadvantaged and socially undesirable tenure. More fundamentally, it points to a deeper puzzle: how has housing tenure become a defining factor shaping life outcomes, rather than simply being one characteristic among others in people's lives?

Research Gap

Despite the importance of these questions, the Slovenian housing system remains underexplored. No comprehensive analysis has systematically tracked how the system has evolved throughout independence, particularly across different tenure forms, despite their clear implications for overall wellbeing.

The 2024 housing survey report itself explicitly calls for deeper analysis, especially in connection to tenure, to better understand how the housing sector evolved as it did (Hafner Fink et al., 2025). The initial comparison with the 2005 survey reveals structural changes in tenure and highlights the need to identify their underlying causes, particularly in relation to declining housing affordability.

At the same time, data limitations remain significant. There is no accurate and detailed data on the rental market. National housing surveys have been conducted only twice since independence, with a nearly 20-year gap. The system is therefore not only under-regulated, but also under-monitored.

While academic international literature shows that housing tenure affects subjective wellbeing (e.g. Elsinga & Hoekstra, 2005), this relationship has not been systematically analysed in an ownership-dominant system such as Slovenia. We therefore lack a clear

understanding of how housing outcomes shape broader wellbeing and how this relationship has changed over time.

Research Question

Building on these gaps, this thesis asks: to what extent is housing tenure (ownership, private renting, and public or non-profit renting) associated with subjective wellbeing in Slovenia, and how has this relationship evolved between 2005 and 2024? The focus is on whether differences in key outcomes, including housing security, housing satisfaction, housing cost burden, and life satisfaction, reflect characteristics of individuals and their living conditions, or whether tenure itself plays an independent role.

Hypotheses

To guide the analysis, the following hypotheses are tested:

H1: Homeowners report higher perceived housing security, housing satisfaction, and life satisfaction than renters.

H2: Private market renters report a higher perceived housing cost burden than homeowners and public or non-profit renters.

H3: Public or non-profit renters differ from private renters in housing security, satisfaction, and cost burden.

H4: Tenure differences persist after controlling for socio-demographic characteristics and housing conditions.

The analysis also examines how these relationships evolve over time.

Scope of the Study

To examine these questions, the analysis focuses on Slovenia and draws on two nationally representative housing surveys conducted in 2005 and 2024. The 2024 survey was explicitly designed to allow comparison with the 2005 survey, ensuring comparability in key measures and enabling the analysis of changes over time. Both datasets are weighted to reflect the Slovenian population.

The study is situated at the intersection of housing and social policy, reflecting the broader implications of housing outcomes for wellbeing.

Data and Methods

The analysis is based on survey data from 2005 and 2024, with housing tenure as the central explanatory variable, distinguishing between owners, private renters, and public renters. The main outcomes analysed are perceived housing security, housing cost burden, housing satisfaction, and life satisfaction.

The approach combines descriptive analysis with multivariate methods to compare outcomes across tenure groups and examine how these relationships evolve over time. To analyse how the structure of the system has changed, underlying patterns are identified using principal component analysis (PCA), allowing identification of how outcomes are related and how they structure differences between individuals. The analysis then examines how individuals cluster

together along these outcomes to identify vulnerable groups and trace how vulnerability expands over time, including whether this reflects changes across generations or age groups. Regression and decomposition methods are used to compare individuals with similar characteristics, in order to isolate the independent role of housing tenure, and show how much of the difference is linked to tenure itself rather than to socio-economic characteristics or housing conditions.

Overview of Findings

Building on this approach, the findings reveal a substantial shift in how housing structures individual outcomes.

First, subjective housing outcomes have become the main source of difference between individuals. While in 2005 differences were primarily shaped by socio-economic characteristics such as income, age, or education, they are now increasingly shaped by how individuals experience their housing conditions, including satisfaction, financial burden, and perceived security.

Second, vulnerability has spread across the system. It is no longer confined to traditionally disadvantaged groups, but increasingly affects homeowners as well, particularly through growing cost burdens and maintenance pressures.

Third, renters are consistently disadvantaged across all outcomes, even when individuals are made as comparable as possible in personal and housing conditions. By 2024 this also includes life satisfaction, meaning that renters are now more likely to experience lower overall life satisfaction even when their situations are otherwise similar.

Fourth, vulnerability has increased most for the youngest generation, not for the youngest age group. This broader cohort extends beyond those traditionally considered young and does not transition into stable housing positions, even at higher income levels.

Finally, life satisfaction now moves together with other subjective housing outcomes, where better housing conditions are associated with higher life satisfaction and worse conditions with lower life satisfaction. Housing has therefore become a central factor shaping overall wellbeing, playing a direct role in how individuals experience stability and quality of life.

Implications

These findings suggest that housing has become a central factor structuring inequality in Slovenia. The system no longer provides stable housing outcomes even within traditionally secure tenure positions, as vulnerability is spreading and affecting both renters and owners. At the same time, access to stable housing is increasingly restricted, especially for younger generations.

This indicates that housing is no longer simply a domain of individual choice and preference, or just another aspect of a person's life, but a structural factor shaping life chances and overall wellbeing. Housing outcomes now play a defining role in how individuals experience stability, security, and life satisfaction.

The findings therefore point to the need for policy responses that address both immediate instability and deeper structural imbalances within the housing system, including: stabilising the private rental sector, expanding public housing provision, supporting the renovation of the existing housing stock, and improving access to ownership. The aim should be to ensure that individuals can access housing that fits their needs, rather than being constrained by the limited set of available options. These findings are particularly relevant in light of recent public debates and policy discussions in Slovenia, which increasingly recognise affordability, rental regulation, and housing supply as key challenges (Ministrstvo za solidarno prihodnost, 2025).

Structure of the Thesis

The thesis proceeds as follows. Chapter 1 presents the main contribution. Chapter 2, the introduction, illustrates the research problem and analytical framework. Chapter 3 reviews international and Slovenian literature. Chapter 4 outlines the data and methodology. Chapter 5 presents the empirical findings and their interpretation. Chapter 6 concludes and develops policy recommendations.

3. Interdisciplinary State of Knowledge

3.1 Housing as a Welfare Institution

Housing is often treated as a background factor within welfare analysis, yet it plays a central role in shaping security, inequality, and life chances. Rather than functioning as a simple consumption good, it is a core welfare institution that structures access to stability, resources, and long-term protection. Its defining features, such as high costs, durability, and persisting financial commitments put households into sustained positions of advantage or vulnerability over their life course (Kemeny, 2001).

More broadly, housing systems are understood as the institutional, financial, and policy arrangements through which housing is provided and accessed and therefore shape how security and inequality are distributed (Kemeny, 2001). Within this system, housing tenure refers to the form of access to housing, most commonly ownership or renting, which structures rights, obligations, and exposure to risk (Angel & Gregory, 2023). As such, tenure represents a key source of security and inequality within housing systems.

Housing also operates as a political-economic system that distributes advantage in durable ways. Housing finance and property regimes shape wealth accumulation, risk exposure, and access to welfare resources (Schwartz & Seabrooke, 2008). In ownership-dominant contexts, housing functions as asset-based welfare, where households rely on property for long-term security. This creates clear insider and outsider dynamics, as rising property values benefit existing owners and make entry more difficult for non-owners. Housing thus becomes a key channel through which inequality is reproduced across generations (Schwartz & Seabrooke, 2008).

These dynamics are reinforced by policies that promote homeownership as a welfare strategy and present it as a source of security, responsibility, and prudent citizenship. The expansion of ownership shifts responsibility for welfare from the state to households, encouraging individuals to rely on housing assets for protection against future risks (van Gent, 2010).

At the same time, the meaning of tenure depends on the broader housing system. Ownership-dominant systems are not uniform, and tenure cannot be interpreted in a universal way (Ronald, 2007). This is particularly relevant in post-socialist contexts such as Slovenia, where privatisation and welfare restructuring have produced specific forms of ownership dominance, often characterised by high rates of outright ownership alongside emerging patterns of indebted ownership among younger cohorts (van Gent, 2010; Ronald, 2007).

3.2 Housing Systems and Tenure Regimes

Building on the view of housing as a welfare institution, housing tenure can be understood as a position within the housing system that shapes access to security, resources, and risk, rather than a simple housing status (Angel & Gregory, 2023). While ownership is often associated with security, autonomy, financial returns, and status, these advantages are not inherent but shaped by broader system conditions (Elsinga & Hoekstra, 2005).

The effects of tenure thus vary across housing systems. Comparative evidence shows that while homeowners often report higher housing satisfaction, this advantage varies significantly across countries (Elsinga & Hoekstra, 2005). In systems with strong and regulated rental sectors, renting can provide comparable levels of security and stability, reducing tenure differences. In contrast, where rental housing is insecure or limited, ownership is more strongly associated with higher satisfaction and perceived security (Elsinga & Hoekstra, 2005). This indicates that tenure effects are conditional on institutional context (Angel & Gregory, 2023).

The relationship between tenure and wellbeing operates through specific housing-related outcomes, particularly perceived security and cost pressure (Angel & Gregory, 2023). Objective housing costs alone provide limited insight into wellbeing; it's rather the extent to which these costs are experienced as burdensome that shapes their impact on life satisfaction (Angel & Gregory, 2023). Housing satisfaction similarly reflects how well housing conditions meet household needs and is shaped by both material quality and tenure-related stability (Elsinga & Hoekstra, 2005).

These mechanisms which vary across systems are particularly visible in the Slovenian context, where the meaning of tenure has been historically constructed. Under socialism, renting provided relatively strong security, but following post-1991 privatisation, homeownership became dominant and was redefined as the norm, associated with security and success. This shift reflects systemic transformation rather than stable household preferences (Mandič & Clapham, 1996). Consistent with comparative evidence, this shows that tenure differences in wellbeing are larger in home-owning systems with weak rental sectors (Herbers & Mulder, 2017).

Traditional perspectives like Saunders position homeownership as inherently welfare-enhancing, linking it to control, stability, and ontological security (1990). However, subsequent research shows that these advantages are not universal but depend on institutional conditions and tenure (Mandič & Clapham, 1996). This reinforces the need to understand tenure effects as context-dependent rather than inherent. Housing tenure therefore operates as a mechanism through which institutional conditions shape differences in security, risk, and wellbeing across housing systems, particularly in contexts such as Slovenia (Angel & Gregory, 2023; Herbers & Mulder, 2017).

3.3 Housing Tenure and Subjective Wellbeing

Housing affects lived experience, not just material conditions, making subjective wellbeing a necessary outcome for analysis. It shapes daily routines, stress levels, identity, and perceptions of stability in ways not fully captured by objective indicators. Subjective wellbeing reflects how individuals evaluate these conditions, indicating how housing is experienced. While such measures are influenced by adaptation and social comparison, they remain meaningful indicators of lived outcomes which cannot be captured by objective measures alone (Clapham et al., 2018).

Different tenure forms imply different conditions of stability, uncertainty, and financial pressure, shaping how housing is experienced. This supports a focus on subjective evaluations as key outcomes through which tenure effects can be understood.

These effects operate through several core mechanisms linking tenure to wellbeing. First, security and stability play a central role. Ownership is generally associated with greater residential stability and protection from displacement, while renting may involve higher uncertainty depending on institutional protections (Diaz-Serrano, 2009; Angel & Gregory, 2023). Greater stability provides predictability, reducing stress and supporting wellbeing.

Second, autonomy and control differ across tenure forms. Ownership allows greater control over living conditions and the ability to modify the dwelling, supporting a sense of agency and self-determination (Bloze & Skak, 2012).

Third, tenure structures financial risk and burden. Ownership combines the potential for asset accumulation with exposure to financial obligations such as mortgages and maintenance, while renting often involves ongoing cost uncertainty (Angel & Gregory, 2023). Financial strain can offset or even reverse these advantages, linking tenure to wellbeing through experienced financial pressure (Zumbro, 2014).

Finally, tenure also carries social and symbolic meanings, as homeownership functions as a widely expected life achievement and a sign of social position, while renting is often stigmatised and perceived as a deviation from social expectations (Foye et al., 2018). These mechanisms link tenure to subjective wellbeing in distinct ways, which are examined empirically in the analysis that follows.

3.4 Housing Outcomes as Mechanisms

These mechanisms can be captured through housing-related outcomes, particularly subjective indicators, as they reflect how housing conditions are experienced in practice.

Housing Insecurity

Housing insecurity is a central mechanism through which housing arrangements shape subjective wellbeing. Housing affects wellbeing not only through physical conditions but through lived experiences of instability, lack of control, and uncertainty (Clapham et al., 2018).

It is not merely an individual perception but also socially and institutionally produced. Slovenian research shows that insecurity is linked to processes of social integration, belonging, and life-course positioning (Ploštajner, 2022). It is multidimensional, rooted in limited housing alternatives, rising costs, and dependence on family resources, particularly among younger people (Klanjšek, 2022). These conditions generate persistent uncertainty and constrain life planning, extending the effects of housing insecurity into broader life outcomes.

It also differs across tenure forms and housing systems. Institutional protection can reduce uncertainty and where tenure security is stronger, such as in regulated or public rental sectors, renters experience more favourable outcomes than in insecure private rental markets (Grimes et al., 2024; Yao et al., 2025). On the other hand, renter disadvantages are most pronounced in home-owning systems with weak rental sectors, such as Slovenia (Herbers & Mulder, 2017).

Housing insecurity thus emerges as a core, institutionally shaped mechanism varying across tenure forms and becoming particularly pronounced where access to stable housing is limited.

Housing Cost Burden

Beyond stability, housing also shapes wellbeing through financial pressure. Housing costs generate stress, anxiety, and constrained life choices, making cost burden a clear mechanism linking housing to subjective wellbeing. This pressure is experienced rather than simply calculated, which makes perceived affordability more relevant than objective costs alone (Clapham et al., 2018). This distinction is critical, as perceived burden reflects the mismatch between housing costs and household resources more effectively than objective measures (Diaz-Serrano, 2006; 2009).

While ownership is often associated with higher housing satisfaction, financial obligations such as mortgage debt and maintenance costs can reduce income satisfaction and emotional wellbeing (Will & Renz, 2023). This suggests that tenure advantages depend on the financial conditions under which housing is accessed and maintained, rather than tenure itself.

Housing cost burden is therefore a key mechanism shaping wellbeing across tenure groups, increasingly affecting both renters and homeowners.

Housing Satisfaction

In addition to financial pressure, housing also shapes wellbeing through the evaluation of living conditions, captured by housing satisfaction. Differences in housing satisfaction between tenure groups are very often largely explained by differences in housing quality, as homeowners tend to occupy better dwellings (Elsinga & Hoekstra, 2005). Once housing conditions are taken into account, the tenure gap in satisfaction decreases substantially, but does not disappear entirely. This suggests that housing satisfaction reflects both material housing conditions and tenure-related factors beyond observable quality (Elsinga & Hoekstra, 2005).

Ownership is thus most strongly associated with higher housing satisfaction among different wellbeing domains, primarily because it provides better housing conditions and greater control over the dwelling (Will & Renz, 2023). In the Slovenian context, it is also associated with status and social achievement, shaping how housing is evaluated (Ploštajner, 2016). Housing satisfaction can therefore reflect a combination of material conditions, expectations, and tenure-specific norms.

3.5 Generational Inequality and Housing Trajectories

Housing as a Life-Course Institution

Housing functions not only as a consumption good but as a key institution shaping life chances, transitions to independence, and long-term security. Access to housing determines exposure to insecurity, financial pressure, and future life chances, contributing to the reproduction of inequality (Ploštajner, 2016).

A crucial mechanism here is the timing of access rather than individual merit. Older cohorts entered homeownership under more favourable conditions, including lower prices and weaker financial constraints, while younger cohorts face higher costs, stricter credit conditions, and more precarious labour markets (Ploštajner, 2016). Early access therefore translates into long-term security, while delayed entry accumulates disadvantage.

Delayed Transitions and Family Dependence

These patterns are closely linked to the growing role of family resources in accessing housing. In Slovenia, transitions to independent living are significantly delayed, with prolonged co-residence among young adults. Leaving the parental home depends primarily on partnership formation, income, and parental housing conditions, rather than cultural preferences. Delayed independence is therefore produced by structural constraints in housing access with many young people relying on intergenerational transfers to secure independent living (Kuhar, 2013).

This indicates that access to independent housing is increasingly characterised by intergenerational inequality rather than individual choice (Kemeny, 2001).

This growing dependence on family support contributes to the reproduction of housing inequality across generations. Housing systems now increasingly operate through asset

accumulation rather than use value, turning housing into a source of inequality production. Rising housing prices benefit existing owners while excluding new entrants, making inequality cumulative over time (Ploštajner, 2016).

This dynamic is reinforced by asset-based welfare structures mentioned above. Homeownership enables wealth accumulation and partly substitutes for public welfare provision, creating a divide between those with housing assets and those without (Schwartz & Seabrooke, 2008). These divisions are institutionally reinforced, as homeownership reflects political priorities and historically embedded policy choices rather than individual choice (Ronald, 2007).

These dynamics reflect a shift in how access to housing is structured. Historically, entry into homeownership was supported by self-construction, family labour, and access to land, particularly in contexts such as Slovenia, enabling access without substantial capital. Under current conditions, these options have weakened, and access increasingly depends on financial resources, particularly in urban areas where rising land values and stricter regulatory frameworks limit familial or low-cost construction (Sendi, 2017).

At the same time, countries with underdeveloped rental markets fail to provide stable alternatives, leaving younger households constrained in both ownership and renting. This reflects a broader transformation in post-socialist contexts, where housing has shifted from a welfare-supported use value to a commodified, asset-based system (Cirman, 2017).

Access to housing has therefore shifted from more accessible and stable forms to increasingly constrained and unequal conditions. Earlier entry into ownership and family-supported provision have been replaced by systems shaped by asset accumulation, family support, and inequality. Access is now determined more by timing and family resources than by individual economic position, helping explain generational divergence and expanding vulnerability where rental alternatives remain weak (Kuhar, 2013; van Gent, 2010; Sendi, 2017).

3.6 The Slovenian Housing System as a Critical Case

Slovenia brings together several reinforcing features identified in previous sections, including ownership dominance, weak rental alternatives, familialised access to housing, rising cost pressures, and strong ownership norms (Sendi, 2017; Cirman, 2017; Klanjšek, 2022). Together, these features create a system in which housing tenure is not a neutral characteristic but an important factor shaping security, risk, and wellbeing, shaping both housing outcomes and broader subjective wellbeing.

Historical Foundations of Ownership Dominance

The ownership-dominant housing system in Slovenia is best understood as the result of a specific historical and institutional development. Under socialism, housing functioned primarily as a welfare resource organised through social renting and regulated ownership, where access and allocation, rather than market value, were central (Mandič, 1994; Stanovnik, 1994).

A critical shift occurred with the 1991 Housing Act, adopted shortly after Slovenia's independence, which initiated rapid privatisation of the social housing stock. Large parts of the rental sector were converted into private ownership through discounted sales, producing a substantial one-off transfer of wealth and sharply reducing the role of rental housing (Mandič, 1994). These discounts were substantial. Sitting tenants could purchase dwellings at around 40 percent of the book value, which was significantly below market value, often amounting to only 10% to 15% of actual market prices (Stanovnik, 1994).

This transformation also built on earlier housing practices, as homeownership was already widespread, reaching around 67% in 1991, following the formal recognition of private ownership in 1965. At that point, the state acknowledged its limited capacity to provide sufficient housing and began supporting self-construction through subsidised materials and land, often combined with family labour (Sendi, 2017). Ownership expanded further during privatisation, reaching around 89% by 1994 and remaining above 90% in subsequent decades, mirroring the levels reflected in the data used for this thesis (Ministrstvo za solidarno prihodnost, 2025).

Ownership dominance in Slovenia is therefore best understood as the result of institutional restructuring, historical housing practices, and policy-driven privatisation rather than stable household preferences. This has been sustained by limited development of viable rental alternatives, reinforcing a persistent policy bias in favour of ownership (Sendi, 2017; Ploštajner, 2016).

Familialisation of Housing Access

In Slovenia's ownership-dominant system, where alternatives are limited, access to housing is strongly mediated by family resources. Residential independence is significantly delayed and closely tied to parental support rather than individual choice, with prolonged co-residence and access to housing often dependent on parental property, inheritance, or direct transfers (Kuhar, 2013). It also reflects earlier forms of housing provision based on family support, including self-construction, although such options have become much less common under current regulatory and market conditions (Ministrstvo za solidarno prihodnost, 2025).

Housing insecurity among young people is also socially stratified, with those from weaker family backgrounds facing poorer housing conditions and more limited access to stable housing, especially under the current high prices and restricted alternatives (Klanjšek, 2022).

The family functions as an active welfare institution, providing housing access, financial support, and protection against risk where state and market provision are insufficient. Housing access is therefore strongly shaped by familialised welfare mechanisms that reproduce inequality across generations (Kuhar, 2013; Klanjšek, 2022).

Weak and Segmented Rental Sector

The family-mediated access described above is reinforced by the absence of viable rental alternatives. In Slovenia, the rental sector is both small and internally segmented, accounting for less than 10% of the housing stock, with private renting representing only a small share

within it (Sendi, 2017). This structure reflects the rapid post-1991 privatisation process, during which the share of social rental housing fell from around one-third of the housing stock to approximately 6% by 2001, without being systematically replaced (Cirman, 2017). The public rental sector currently operates as a bottleneck rather than an effective safety net. It remains small, underdeveloped, and heavily rationed, accounting for around 4% of the housing stock compared to approximately 8% in the EU, and operating under conditions of persistent excess demand and limited funding (Ministrstvo za solidarno prihodnost, 2025; Cirman, 2017).

The private rental sector is also limited, relatively expensive, and often insecure, with weak tenant protection and a high degree of informality (Cirman, 2006). In addition, the expansion of short-term rental use has likely further reduced the availability of long-term rental housing, particularly in urban areas, with tourist accommodation capacity on platforms such as Airbnb and Vrbo increasing substantially in recent years (Ministrstvo za solidarno prihodnost, 2025).

As a result, renting does not function as a stable or accessible alternative to ownership, and many households are left in insecure or inadequate housing conditions. It is therefore best understood as a residual and weakly institutionalised status that fails to provide broad housing security.

Rising Costs and System-Wide Pressure

Building on the structural weaknesses of the housing system, housing pressure in Slovenia is rooted in long-term supply constraints. Following the 1991 transition, new housing construction declined sharply, while institutional responsibility for housing provision remained fragmented and slow to develop. This created a persistent mismatch between supply and demand, particularly in Ljubljana, which has not been fully resolved (Mandič & Filipovič, 2007; Cirman & Filipovič, 2007). Over the past decade, Slovenia has recorded among the lowest levels of housing construction in the EU, with particularly strong fluctuations in multi-apartment building activity, limiting the expansion of both ownership and rental supply (Ministrstvo za solidarno prihodnost, 2025).

These constraints have translated into rising housing and rental costs, particularly in the central region. Strong demographic growth, increasing numbers of households, and rising demand for rental housing have intensified affordability pressures, with financial difficulties emerging as the main housing problem (Kerbler et al., 2025a; Kerbler et al., 2025b). In this context, limited supply directly drives price increases, further restricting access to secure housing.

Importantly, these pressures increasingly extend beyond renters and affect the system as a whole, including homeowners. Privatisation created a large group of homeowners without sufficient financial capacity to sustain housing costs over time, exposing them to maintenance burdens and long-term housing deterioration (Stanovnik, 1994). This is further exacerbated by the ageing housing stock, much of which was built before 1990. Evidence shows that around 80% of dwellings require at least partial renovation, while financial constraints remain the main barrier to carrying out necessary improvements (Hafner Fink et al., 2025).

Housing pressures therefore reflect the combined effects of limited supply, weak rental alternatives, and rising demand, rather than short-term market fluctuations (Cirman, 2017; Kerbler et al., 2025a; Kerbler et al., 2025b).

Norms, Ideology, and Tenure Meaning

Beyond material conditions and institutional structures, housing tenure in Slovenia is also shaped by social norms and ideological meanings. Homeownership has become the dominant and desirable housing solution, while renting is increasingly understood as temporary and insecure (Mandič, 2018). As a result, tenure differences reflect not only housing conditions but also socially constructed hierarchies of legitimacy.

Under socialism, renting functioned as a legitimate and secure housing solution within a welfare framework, while ownership existed alongside it (Mandič, 2018). At the same time, homeownership was already widespread through self-construction and family-based provision, supported by access to land and discounted building materials (Sendi, 2017). Post-socialist privatisation reinforced these patterns by transforming ownership into the primary source of security and welfare, while weak rental alternatives undermined renting as an acceptable option. Ownership thus shifted from one possible housing solution to a taken-for-granted norm, while renting became associated with insecurity and transience often framed as “throwing money away.”

In this context, tenure becomes a sign of social positioning, and differences between owners and renters are reproduced not only through material inequalities but also through normative expectations and symbolic meanings (Ploštajner et al., 2019). These meanings align with theoretical arguments linking homeownership to autonomy, control, and ontological security (Saunders, 1990), although evidence from Slovenia shows that these associations have systemic and historical origins (Mandič, 2018).

Slovenia combines institutional, market, and cultural features, including ownership dominance, weak rental alternatives, family-mediated access, rising affordability pressures, and strong ownership norms which together suggest that housing tenure plays a central role in shaping inequality in both housing conditions and subjective wellbeing outcomes.

4. Methodology, Data and Sources

4.1 Research Design and Empirical Strategy

This thesis examines to what extent housing tenure is associated with differences in subjective wellbeing in Slovenia. The analysis compares three tenure groups, owners, private renters, and public renters, using two cross-sectional housing surveys conducted in 2005 and 2024 (Mandič, 2005; Hafner Fink et al., 2025). The empirical objective is to assess whether differences in housing security, housing satisfaction, cost burden, and life satisfaction exist across tenure groups, whether these differences persist after accounting for observable characteristics, and how they have changed over time. By comparing tenure groups across

two time points, the study captures not only the presence of inequalities but also their development.

The analysis is **observational** and does not aim to identify causal effects. Instead, it focuses on associations between housing tenure and subjective wellbeing. Comparing the two time points makes it possible to assess whether these associations have strengthened, weakened, or remained stable over time. This approach provides a clear basis for understanding how housing inequalities play out in subjective outcomes within an ownership-dominant system.

The **empirical strategy** follows a structured progression. It begins with descriptive patterns, identifying differences across tenure groups and over time. It then examines the underlying structure of housing conditions using principal component analysis (PCA) and identifies distinct housing profiles through clustering. The analysis next compares outcomes across age groups and birth cohorts to distinguish between age-related and generational patterns. This is followed by regression models that estimate the association between housing tenure and outcomes and tests how these relationships change over time. Finally, Oaxaca–Blinder decomposition is used to examine the sources of observed tenure differences. Each step builds on the previous one, providing a comprehensive explanation of tenure-related inequalities in subjective wellbeing.

4.2 Data Source and Coverage

Data Source and Institutional Context

This analysis draws on two nationally representative surveys: the Housing Survey 2005 (hereafter 2005 survey) and Housing Provision in Slovenia 2024 (hereafter 2024 survey) (Mandič, 2005; Hafner Fink et al., 2025). The 2005 survey was conducted by the University of Ljubljana, Faculty of Social Sciences, Centre for Social Welfare Studies, while the 2024 survey was carried out by the University of Ljubljana, Faculty of Social Sciences, in collaboration with the Urban Planning Institute of the Republic of Slovenia. Both surveys are large-scale data collection efforts focused on housing conditions and residential provision in Slovenia.

The 2024 survey was explicitly designed to enable comparison with the 2005 survey, so the questionnaire was developed to ensure continuity in key measures of housing conditions and needs over time.

Sampling, Data Collection and Representativeness

Both surveys use probability-based, stratified sampling designs. The 2005 survey draws on a sample constructed from the telephone directory, stratified across twelve statistical regions. Data was collected through telephone interviews, with respondents being the household member most knowledgeable about housing conditions. The 2024 survey is based on a stratified sample drawn from the Central Population Register using systematic random selection. Data was collected using a mixed-mode approach, combining web-based and paper questionnaires.

Both datasets are weighted using post-stratification (calibration) procedures to reflect the Slovenian population. In the 2024 survey, weights are constructed through iterative post-stratification, aligning the sample with population distributions across gender, age, region, and type of settlement. In the 2005 survey, weights adjust for regional distribution, household structure, and housing characteristics. These procedures improve the representativeness of the data and allow for more accurate population-level estimates of housing conditions in Slovenia.¹

Unit of Analysis

The unit of analysis differs across surveys. The 2005 survey is defined at the household level, while the 2024 survey is defined at the individual level. In both cases, however, responses are provided by individual respondents, and subjective measures reflect individual perceptions. Household-level variables, such as income, are defined consistently across both waves. Both datasets can therefore be treated as individual-level observations for analytical purposes.

Sample Size and Coverage

The 2005 survey includes 4,009 observations, while the 2024 survey includes 2,114 observations. Although the sample sizes are not balanced, both datasets provide broad national coverage and include diverse households across regions and settlement types. Differences in sample size are addressed through survey weights.

Table 4.1: Sample Structure (2005 and 2024)

	2005	2024
Total N (Count)	4,009	2,114
Owners (%)	91.2%	91.3%
Private renters (%)	3.4%	3.3%
Public renters (%)	5.4%	5.4%

The distribution confirms the strongly ownership-dominated structure of the Slovenian housing system in both periods, with more than 90% of respondents being owners.

Analytical Value and Relevance of the Data

The dataset is particularly well suited to this research because it combines detailed information on housing conditions with subjective wellbeing indicators within a nationally representative framework. It is explicitly designed to allow direct comparison over time and captures both objective aspects of housing, such as dwelling quality, overcrowding, neighbourhood conditions, and subjective outcomes, including housing security, housing

¹ In the 2024 survey, weights are based on iterative post-stratification using combinations of gender $\times$ age (2×4) and region $\times$ type of settlement (12×5). In the 2005 survey, weights adjust for the number of households by statistical region, household size and type of settlement, as well as dwelling characteristics including number of rooms and year of construction.

satisfaction, and life satisfaction. This combination is rare and allows for a more comprehensive assessment of housing-related inequalities.

The data enables comparison across tenure groups and between 2005 and 2024. The 2024 survey, published in 2025, provides recent and not yet extensively analysed data. At the same time, housing analysis over time in Slovenia remains limited, and existing survey data has not been used to its full potential. This study addresses this gap by providing one of the first systematic comparisons across the two surveys, using high-quality but underutilised data to examine how housing conditions and subjective wellbeing have evolved.

4.3 Sample Construction and Data Preparation

Sample Definition and Tenure Construction

The analysis draws on two nationally representative survey waves, the 2005 survey (N = 4009) and the 2024 survey (N = 2114). Observations correspond to one respondent per household in 2005 and one individual respondent in 2024. To ensure a consistent analytical sample, basic data cleaning procedures were applied. Invalid and non-response values were recoded as missing, and implausible entries in key variables were removed or adjusted.

Housing tenure is defined using three analytically relevant categories: owner, private renter, and public renter. Tenure was derived from survey-specific variables in each wave, retaining only clearly identifiable tenure forms aligned with the goals of this study. Ambiguous or non-standard arrangements, including sub-tenants, free-rent users, and institutional housing, were excluded. This classification prioritises conceptual clarity and reduces the risk of misclassification, allowing the analysis to focus on the core structure of the housing system and comparable housing positions aligned with the research question.

Missing data were handled using a combination of listwise deletion and the inclusion of missing categories where appropriate. A detailed description of the missing data strategy is provided in Appendix A1.

Variable Preparation

Subjective outcomes were transformed into binary indicators of adverse conditions for the purpose of the regression and decomposition analysis. In addition, extreme values in selected variables were capped to limit the influence of outliers. Harmonisation of variables across survey waves, including income, is described in Section 4.4.

Pooling of Survey Waves

The two survey waves are combined into a pooled dataset for the purposes of a pooled regression analysis, and an indicator variable distinguishing observations from 2005 and 2024 is introduced to capture differences in outcomes over time. The pooled sample is restricted to respondents born between 1945 and 1989. This restriction ensures that individuals are observed at comparable stages of life in both survey periods and avoids bias arising from the inclusion of older cohorts not observed at later stages in 2024 and younger respondents not

present in the 2005 survey. It also ensures that age-controlled and cohort-controlled models are estimated on the same underlying population.

To account for the combination of two cross-sections, survey weights are adjusted by dividing them by two, ensuring that each wave contributes equally to the pooled sample². The resulting pooled sample includes 3,963 observations, of which 2,752 are from 2005 and 1,211 from 2024.

While regression analyses rely on this pooled dataset, descriptive, cohort, and clustering analyses are conducted on harmonised but separately analysed survey waves.

4.4 Harmonisation Across Waves

Comparability Across Surveys

This study uses two cross-sectional surveys conducted in 2005 and 2024, which are comparable in many respects but not directly equivalent. The 2024 survey was designed to allow comparison over time, and both waves include similar core variables. However, differences remain in measurement scales, question wording, and response structures. The unit of analysis also differs, with a household-level respondent in 2005 and an individual respondent in 2024. A detailed harmonisation strategy was therefore done to enable valid comparison across time.

Harmonisation Strategy and Logic

To ensure comparability, key variables (including subjective outcomes and income) were harmonised across survey waves through recoding, aggregation of response categories, and the construction of comparable indicators capturing the same underlying concepts. The harmonisation strategy prioritises conceptual equivalence over exact numeric equivalence. The aim is not to impose identical scales, but to ensure that variables capture the same underlying constructs.

Different harmonisation approaches were applied depending on the analytical purpose. Income was measured differently across the two survey waves, with ordinal income brackets in 2005 and continuous income values in 2024. To ensure a consistent representation of relative income differences, income was categorised into weighted terciles in both waves.

For descriptive analysis and principal component analysis, variables from the 2005 survey were linearly rescaled from 1–5 to a 0–10 scale, enabling comparison of distributions and multivariate patterns. For regression and decomposition analysis, variables were recoded into binary indicators of adverse outcomes, avoiding assumptions about how large the differences between response categories are.

The harmonisation strategy is therefore guided by what the variables represent, rather than by what is most convenient statistically. Illustrative examples of harmonisation are provided in

² Because models are estimated using robust standard errors, results are invariant to proportional rescaling of weights.

Appendix A2. Full equivalence cannot be achieved but this approach ensures conceptual alignment and follows established practices in comparative survey research.

4.5 Variable Definition

Dependent Variables

The analysis focuses on four dimensions of subjective wellbeing and housing conditions: **housing security, housing satisfaction, housing cost burden, and life satisfaction**. All outcome variables were originally measured as continuous or ordinal indicators of housing and wellbeing and were recoded into binary indicators of adverse conditions, namely **housing insecurity, housing dissatisfaction, housing cost burden, and life dissatisfaction**, where a value of 1 indicates an adverse outcome and 0 a non-adverse outcome (as illustrated in Table 4.2).

These variables allow the analysis to estimate the probability of experiencing adverse housing and wellbeing outcomes across tenure groups.

Table 4.2: Definition and Harmonisation of Dependent Variables

Variable	Description	Harmonisation
Housing insecurity	Perceived risk of losing current housing	Harmonised from original survey scales (1–5 in 2005; 0–10 in 2024)
Housing dissatisfaction	Subjective dissatisfaction with current dwelling	Harmonised from original survey scales (1–5 in 2005; 0–10 in 2024)
Housing cost burden	Self-reported financial strain of housing costs	Based on comparable 1–5 scale across both waves
Life dissatisfaction	Overall life satisfaction	Harmonised from original survey scales (1–5 in 2005; 0–10 in 2024)

Note: All final outcome variables are coded as binary indicators, where 1 represents the adverse outcome (e.g., dissatisfied, insecure, burdened) and 0 represents the non-adverse outcome.

Independent Variable: Housing Tenure

The central explanatory variable is housing tenure, defined as a three-category variable distinguishing **owners, private renters, and public or non-profit renters**. Homeowners are used as the reference group. Housing tenure captures institutional and structural differences in housing access, security, and market position, and serves as the key dimension along which housing inequalities are analysed.

The variable is used consistently across the analysis and the use of homeowners as the reference group reflects the ownership-dominant structure of the Slovenian housing system.

Socio-demographic Control Variables

A set of socio-demographic variables is included to account for differences in population composition across tenure groups. These variables capture demographic, socio-economic, and household characteristics that may influence both housing tenure and subjective wellbeing outcomes.

Demographic and life-course characteristics are captured through age and cohorts. Age is included as a continuous variable capturing differences across age groups, while cohort is defined using three birth groups (1945–1959, 1960–1974, and 1975–1989) to capture generational differences. Age and cohort are included in separate model specifications to avoid multicollinearity.

Socio-economic position is measured through income, education, and employment status. Income is categorised into low, medium, and high groups, with an additional category for missing or refused responses, and reflects relative economic position within each survey. Education is grouped into primary or less, secondary, and tertiary levels, while employment status distinguishes between employed, retired, and unemployed or inactive individuals.

Household structure is captured through household size, the presence of children, and partnership status.

Spatial and demographic controls include settlement type (rural or urban) and gender.

These variables allow the analysis to account for differences in socio-economic position, household structure, and life stage that may shape both housing access and subjective wellbeing.

Construction of Birth Cohorts

To analyse generational dynamics, respondents were grouped into birth cohorts that remain fixed over time, allowing comparison of housing trajectories across survey periods. Three cohorts were constructed using 15-year intervals: 1945–1959, 1960–1974, and 1975–1989. These cohorts capture differences in housing market entry conditions, particularly in relation to the post-socialist housing transition of the early 1990s.

The lower bound (1945) avoids mortality-related selection bias in the 2024 sample, while the upper bound (1989) ensures that all cohorts are observed in both survey waves, enabling consistent comparison over time.

This cohort construction allows comparison of how housing outcomes change over time within cohorts (generations), while separate analysis by age groups captures how outcomes evolve across different age groups over time.

Housing Condition Control Variables

Aside from socio-demographic controls, the analysis includes variables capturing material housing conditions and neighbourhood conditions. Overcrowding is measured using the number of persons per room, a continuous indicator of residential density, capped at a

maximum value of 4 to limit extreme outliers. Housing quality is captured through a summary index ranging from 0 to 3, reflecting the presence of housing problems. A binary indicator also identifies whether the dwelling requires renovation.

Neighbourhood conditions are measured using an index ranging from 0 to 3, capturing environmental and infrastructural problems, alongside a binary indicator of perceived neighbourhood insecurity. Dwelling type is included as a binary variable indicating whether the respondent lives in a house (1) or in an apartment or other type of dwelling (0), capturing differences in housing form.

These variables reflect material living conditions and residential environments, which may influence the relationship between housing tenure and subjective wellbeing.

Analytical Role of Control Variables

The inclusion of control variables allows the analysis to distinguish between differences in characteristics across tenure groups and tenure-specific effects on subjective wellbeing. By accounting for demographic, socio-economic, and housing characteristics, the models isolate the independent association between housing tenure and the outcome variables. This approach allows the assessment of whether observed inequalities reflect structural effects of tenure or differences in population composition.

4.6 Analytical Strategy

The analytical strategy aims to examine how housing tenure is associated with subjective wellbeing outcomes and whether this relationship changes over time. The study does not aim to establish causal effects, but to identify consistent and structured associations between housing tenure and subjective wellbeing.

The analysis proceeds in stages, combining descriptive, multivariate, and decomposition methods to examine tenure differences, the broader structure of housing-related outcomes, and how these relationships evolve over time.

Descriptive and Exploratory Analysis

The analysis begins with a descriptive comparison of two cross-sectional survey waves, 2005 and 2024, using survey weights to ensure representativeness. It focuses on four key outcomes: perceived housing security, housing cost burden, housing satisfaction, and life satisfaction. These outcomes are compared across tenure groups and over time.

This step establishes the empirical baseline by identifying differences in outcomes between owners, private renters, and public renters, as well as broader changes between the two periods. It allows for the observation of the overall tenure hierarchy and structural shifts in housing conditions and subjective wellbeing. This step is descriptive and does not attempt to isolate causal relationships.

Multivariate Structure: PCA and Clustering

Regression models estimate associations between housing tenure and outcomes, but they do

not show how different housing and socio-economic conditions combine within individuals. For example, they do not capture how income, housing quality, and perceived security come together to form different housing situations. To address this, the analysis first uses principal component analysis (PCA) and clustering as exploratory tools.

PCA identifies central dimensions of housing and wellbeing by showing which variables move together. It reveals common patterns across different indicators and summarises them into a small number of broader dimensions that capture the overall structure of housing conditions.

Building on this, clustering groups individuals into distinct housing profiles based on where they position along these dimensions. This allows the analysis to capture housing vulnerability as the result of how multiple characteristics combine within individuals, rather than looking at a single indicator. Clustering is performed separately for each survey wave, allowing the identification of housing profiles within each period and enabling comparison of their characteristics and distribution over time. In this framework, PCA identifies the structure, while clustering shows how individuals are distributed across different housing profiles within this structure.

Generational (Cohort) Analysis

The expansion of certain housing profiles, particularly vulnerable ones, raises the question of whether these changes reflect differences between individuals from the same age group over time or broader structural shifts affecting specific generations. To address this, the analysis compares individuals from the same age groups in 2005 and 2024, as well as individuals from the same birth cohorts observed at different ages across the two periods.

The first comparison captures period effects by examining how outcomes differ for individuals of the same age at different points in time. The second follows birth cohorts as they age, allowing for the identification of generational patterns. Although the data do not track the same individuals over time, this approach imitates a pseudo-panel by comparing similar groups across survey waves. This allows distinguishing whether observed changes reflect shifts within age groups over time or structural shifts affecting specific generations. In addition, interactions between cohort and income are examined to assess whether income provides the same level of protection against vulnerability across generations.

Regression Models: Estimating Tenure Effects

To estimate the association between housing tenure and subjective wellbeing outcomes, logistic regression models are used. Logistic regression is appropriate given that all outcome variables are specified as binary indicators. Homeowners are used as the reference category, with private and public renters compared against this group. The general form of the model is given by:

$$\text{Logit}(P(Y_i = 1)) = \beta_0 + \beta_1 \text{Tenure}_i + \beta_2 X_i$$

Where Y_i is a binary indicator of an adverse outcome for individual i , $Tenure_i$ denotes housing tenure, and X_i is a vector of control variables. The model estimates how the probability of an adverse outcome varies across tenure groups while holding observable characteristics constant.

The regression analysis estimates the association between housing tenure and outcomes first in baseline form and then with adjustment for socio-demographic, housing, and neighbourhood characteristics. This approach allows assessing whether observed tenure differences persist after accounting for observable differences between groups.

To assess changes over time, pooled models with survey year interactions are estimated.

All models are estimated using survey weights to ensure representativeness and robust standard errors to account for differences in variability across observations.

Pooled Models: Change Over Time

Wave-specific models estimate tenure differences at a given point in time, but do not allow direct testing of whether these differences have changed over time. To address this, the two surveys (2005 and 2024) are combined into a pooled dataset.

The pooled model includes housing tenure, a survey year indicator, and an interaction term between tenure and survey year. The interaction term tests whether the association between tenure and outcomes differs between the two periods.

The models are estimated using both age-based and cohort-based specifications to account for age-related and generational effects and to assess the robustness of the results across alternative specifications.

Oaxaca–Blinder Decomposition

To further examine the sources of tenure differences, Oaxaca–Blinder decomposition is applied. The analysis focuses on homeowners as the reference group and private renters as the comparison group, as this comparison provides the most interpretable contrast (public renters are excluded from this analysis). The overall mean difference in outcomes (Δ) is expressed as:

$$\Delta = (X_A - X_B)\beta_B + X_B(\beta_A - \beta_B)$$

The decomposition separates differences in outcomes into two components. The first term, $(X_A - X_B)\beta_B$, is the composition effect, which captures differences in observable characteristics (X) between groups, such as income, demographic structure, and housing conditions. The second term, $X_B(\beta_A - \beta_B)$, is the coefficient effect, which captures differences in outcomes that remain after accounting for these characteristics (measured by the estimated coefficients β), so even when groups have similar observable characteristics. Here, A denotes homeowners and B private renters. This unexplained component may be

associated with institutional factors, tenure-specific disadvantages, or other unobserved influences.

This approach therefore distinguishes between differences driven by group composition and those associated with tenure itself. The decomposition is estimated separately for each survey wave, using both age-based and cohort-based specifications.

Robustness and Sensitivity Checks

The analysis includes several checks to ensure that the findings are not driven by modelling choices, variable definitions, or estimation methods.

First, the sensitivity of results to outcome definitions is assessed by applying stricter thresholds to key subjective indicators. The findings remain highly consistent, indicating that the results are not sensitive to how disadvantage is defined.

Second, all regression models are estimated using both age-based and cohort-based controls. The results remain consistent, indicating that the findings do not depend on whether differences are captured through age-related or generational differences.

Third, very consistent patterns are observed across multiple analytical methods, which strengthens the credibility of the results and reduces the likelihood that findings are driven by a single method.

Finally, all models are estimated using survey weights and robust standard errors to account for sample structure and differences in variability across observations.

Overall, the findings are robust across alternative outcome definitions, model specifications, and analytical approaches.

4.7 Limitations

Cross-sectional design and causal inference

The analysis relies on two repeated cross-sectional surveys. As individuals are not tracked over time, it is not possible to observe individual trajectories or establish causal relationships between housing tenure and subjective wellbeing outcomes. However, the use of multivariate models allows controlling for observable differences across groups. This enables the identification of systematic patterns and differences across tenure groups and over time. The results should therefore be interpreted as associations between housing tenure and wellbeing outcomes rather than causal effects.

Harmonisation and comparability constraints

The two surveys differ in measurement scales, question wording, response categories, and data structure. Ensuring comparability required recoding variables, aggregating categories, and constructing harmonised indicators. Exact equivalence cannot be fully achieved, and some measurement differences cannot be ruled out but the harmonisation strategy ensures that variables remain conceptually aligned across time, allowing for meaningful comparison.

Subjective outcome measures

The analysis relies on self-reported subjective measures, including housing security, housing satisfaction, housing cost burden and life satisfaction. Such measures may be influenced by reporting bias, individual interpretation, and contextual factors. However, these indicators capture subjective experiences, which are central to the concept of wellbeing examined in this study, and are widely used in empirical wellbeing research (Clapham et al., 2018).

Sample structure and small renter subsample

Slovenia is an ownership-dominant housing system, with approximately 90% of households owning their dwelling which results in relatively small renter subsamples, particularly within certain demographic groups. Smaller subsamples may lead to larger standard errors and reduced precision, however, this also reflects the actual structure of the housing system rather than a sampling limitation and is addressed through survey weights and robustness checks.

Final synthesis and positioning

Despite these limitations, the findings are consistent across model specifications, analytical methods, and robustness checks. The results should therefore be interpreted as robust associations rather than causal effects, while still providing meaningful insight into the structure and evolution of housing inequalities in Slovenia.

5. Analysis – Findings

This chapter addresses the research question by examining **the extent to which housing tenure (ownership, private renting, and public) is associated with subjective wellbeing in Slovenia, and how this relationship has evolved between 2005 and 2024**. The analysis focuses on four key outcomes: housing insecurity, housing cost burden, housing satisfaction, and life satisfaction. Together, these indicators capture both subjective housing conditions and broader aspects of wellbeing.

The analysis proceeds in a structured sequence. It begins by identifying descriptive differences across tenure groups and over time. It then examines how housing and wellbeing outcomes are related to each other using principal component analysis and how individuals are grouped into distinct housing profiles through clustering. This is followed by an assessment of generational dynamics, distinguishing between changes within age groups over time and differences across birth cohorts. The analysis uses regression models to estimate the association between housing tenure and outcomes while accounting for observable characteristics and examines how these relationships have changed over time. It then uses the Oaxaca–Blinder decomposition to assess what factors help explain these differences.

5.1 Descriptive Patterns by Tenure and Over Time

Tenure hierarchy in housing outcomes

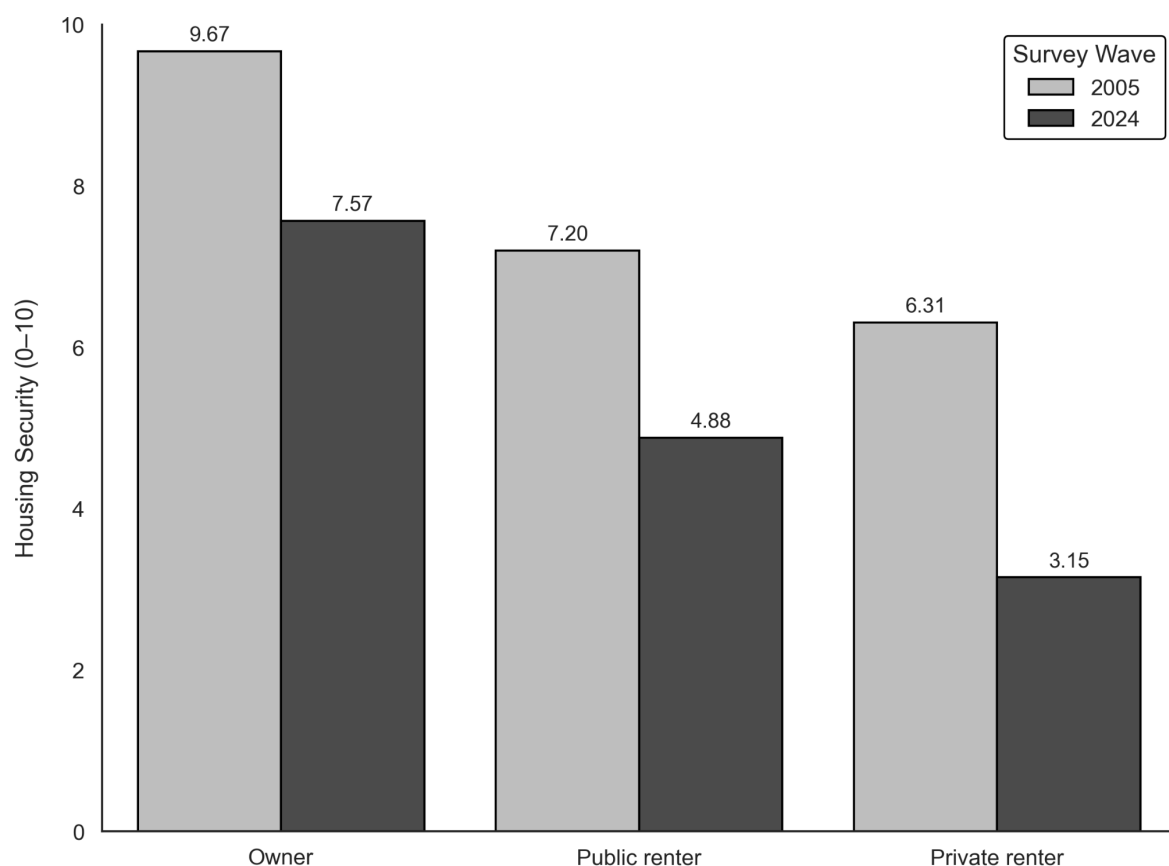
A clear and persistent tenure hierarchy is observed across all housing and wellbeing outcomes in both survey periods (see Table B1 in Appendix for detailed descriptive results). Homeowners consistently report the most favourable outcomes, private renters the least

favourable, while public renters occupy an intermediate position. This pattern holds across housing insecurity, cost burden, housing satisfaction, and life satisfaction, indicating consistent differences by tenure status.

Differences are particularly pronounced for housing security (see Figure 5.1), where private renters report substantially lower levels of perceived security than homeowners in both periods, with public renters occupying an intermediate position. The gap remains large, illustrating the extent of disparity between tenure groups.

These differences are not limited to a single indicator but appear consistently across all outcomes, suggesting that tenure is strongly associated with both housing conditions and broader subjective wellbeing, and reflects broader inequalities within the housing system rather than random variation.

Figure 5.1: Mean Housing Security by Tenure (2005 and 2024)



Changes in Housing Outcomes Over Time

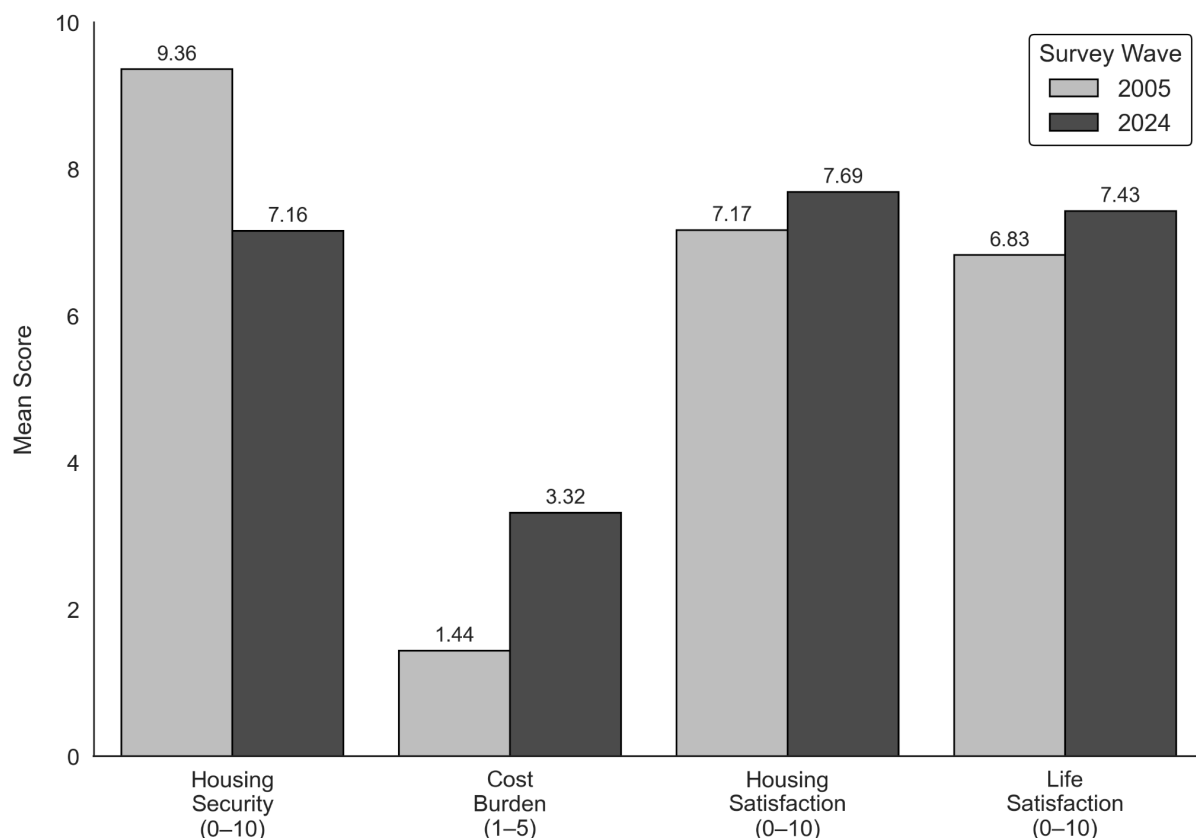
Beyond differences across tenure groups, housing outcomes also show a clear overall shift between 2005 and 2024 (see Figure 5.2). Most notably, **perceived housing security declines** substantially over time, while **housing cost burden increases** sharply. In contrast, housing satisfaction and overall life satisfaction improve moderately.

The increase in housing cost burden represents the most pronounced change across all outcomes, indicating growing financial pressure related to housing. At the same time, the decline in perceived security suggests that housing has become less stable and more uncertain.

By contrast, housing satisfaction shows a slight increase, suggesting improvements in perceived dwelling quality or living conditions. Life satisfaction also improves moderately, indicating that broader subjective wellbeing does not follow the same negative trend as housing insecurity and financial strain.

These patterns suggest a shift in housing-related challenges, from constraints linked to physical housing conditions towards increasing pressures related to affordability and perceived stability.

Figure 5.2: Mean Housing and Wellbeing Outcomes (2005 and 2024)



Note: Housing cost burden is measured on a 1–5 scale. All other outcomes (including housing security) are measured on a 0–10 scale.

Diverging Trends Across Tenure Groups

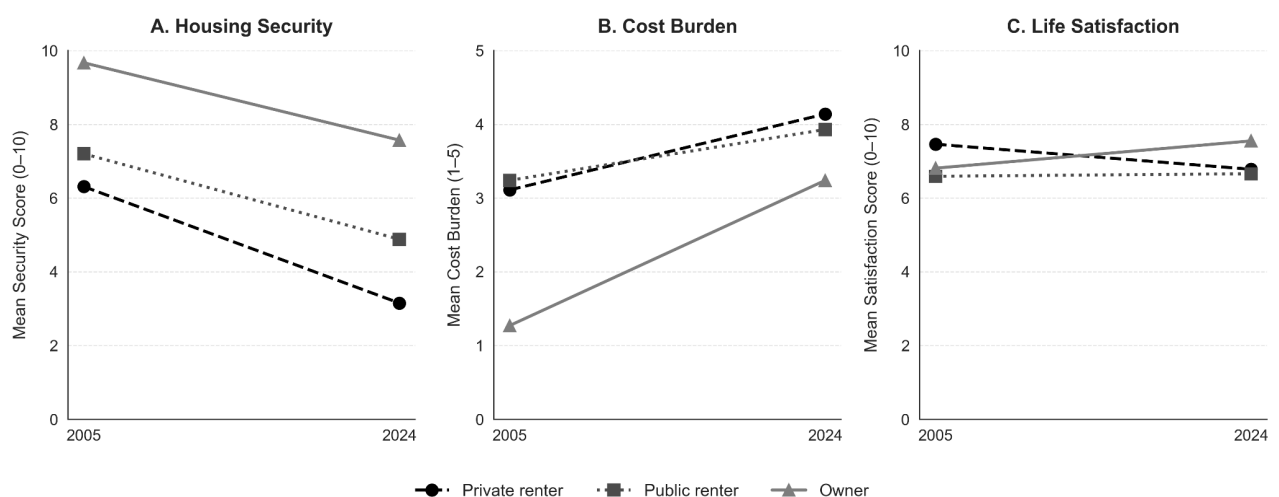
While housing pressures increase across the system, their impact differs substantially across tenure groups (see Figure 5.3). Declines in housing security and increases in cost burden are observed for all groups, but the size of these changes varies. The increase in **perceived insecurity** is strongest among private renters, further widening the gap between renters and owners. At the same time, **housing cost burden** rises across all tenure groups, with the

strongest increase among homeowners, indicating that financial pressures are no longer confined to renters alone.

Crucially, these changes do not translate uniformly into broader wellbeing outcomes. While **life satisfaction** increases among homeowners, it declines among private renters and remains relatively stable among public renters. This presents a key shift: housing pressures are widespread, but their implications for overall wellbeing differ across tenure groups, indicating that housing-related pressures increasingly spill over into broader dimensions of subjective wellbeing, particularly for private renters.

These patterns suggest that housing-related strain is unevenly experienced, as increases in financial pressure and declining security do not have the same consequences for all groups.

Figure 5.3: Trajectories of Housing and Wellbeing Outcomes by Tenure (2005–2024)



Note: Housing cost burden is measured on a 1–5 scale. All other outcomes (including housing security) are measured on a 0–10 scale.

Summary of Descriptive Trends

The descriptive analysis reveals a consistent and structured pattern of housing inequality. A clear tenure hierarchy persists across all outcomes, with homeowners reporting the most favourable conditions and private renters the least favourable. At the same time, housing security declines and financial pressure increases across the system, indicating a deterioration in key aspects of housing conditions.

These findings point to a broader transformation in housing conditions rather than isolated changes in individual indicators. While housing security declines and financial pressure increases across the system, these changes do not translate uniformly into life satisfaction. In particular, life satisfaction declines among private renters, increases among homeowners, and remains stable among public renters.

These patterns raise the question of whether the observed changes reflect independent shifts in individual indicators or a deeper transformation in the structure of the housing system

itself. The following section addresses this by examining how housing and wellbeing outcomes are structured together within the population.

5.2 Structural Transformation of Housing Outcomes (PCA)

Analytical Purpose and Approach

The descriptive results suggest that housing outcomes are not changing independently, but may reflect broader shifts in how housing conditions and wellbeing are related. To examine this, principal component analysis (PCA) is used to analyse how these variables are structured relative to each other and whether this structure changes over time. Rather than analysing each outcome separately, PCA identifies key dimensions that show which variables tend to move together across individuals.

This approach makes it possible to assess whether housing outcomes function as isolated indicators or as part of a broader pattern linking multiple aspects of individuals' experiences. It also enables a comparison of the patterns between 2005 and 2024.

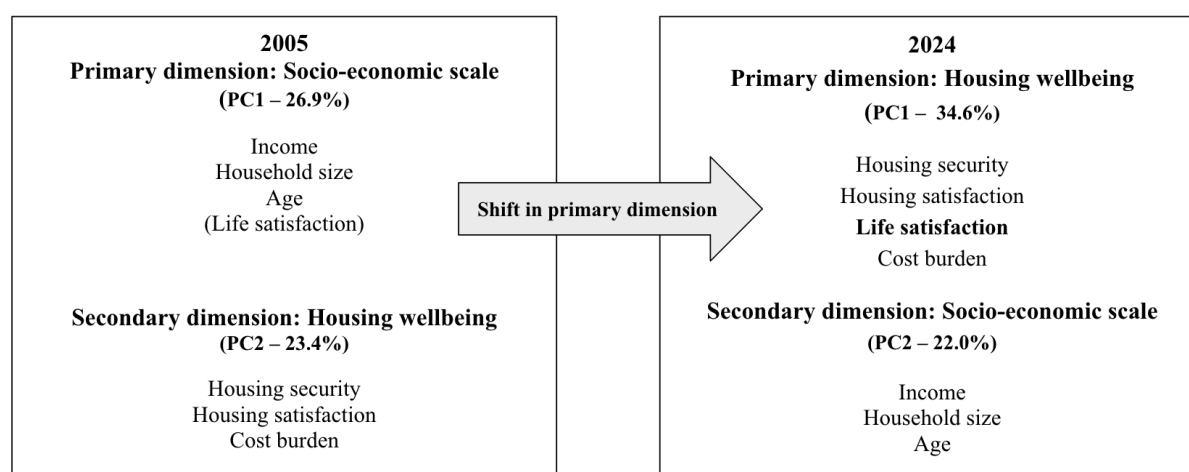
The results extend the patterns identified in the descriptive analysis and reveal a clear structural reorganisation in how housing conditions and wellbeing are related between the two periods.

PCA Results: Reorganisation of the Main Dimension

The PCA results indicate a clear reorganisation in the primary dimension of variation between 2005 and 2024 (see Figure 5.4). In 2005, the first principal component is primarily defined by socio-economic characteristics, particularly income, household size, and age. Housing-related outcomes, such as perceived security, cost burden, and housing satisfaction, are not absent but are structured along a secondary dimension of variation.

In 2024, the structure changes substantially. The first principal component is now defined by housing-related outcomes, including housing security, housing satisfaction, and cost burden. Importantly, life satisfaction also aligns with this dimension, moving together with housing conditions. Socio-economic characteristics remain relevant but are positioned along a secondary dimension instead of the primary. This indicates a fundamental shift: housing conditions move from a secondary to a primary role in structuring differences across individuals and overall wellbeing.

Figure 5.4: Structural Reorganisation of Housing Outcomes (PCA)



While the same underlying dimensions, the socio-economic and housing wellbeing dimensions, are present in both periods, their relative roles shift. The primary axis of variation moves from what households have, in terms of resources, to how they experience their housing conditions. This reinforces that housing outcomes have shifted from a secondary to a primary source of differences between individuals.

Changing Role of Life Satisfaction

A key aspect of this reorganisation is the changing role of life satisfaction within the overall structure. In 2005, life satisfaction is more closely aligned with socio-economic characteristics, reflecting differences in income, age, and household composition rather than housing-specific conditions. It is positioned along the primary dimension of variation, which captures socio-economic differences across individuals.

By 2024, life satisfaction aligns with housing-related variables, moving together with housing security and housing satisfaction along the primary dimension of variation, such that higher levels of housing security and satisfaction are associated with higher life satisfaction.

This shift indicates that housing conditions play an increasingly central role in shaping broader evaluations of life circumstances. Housing wellbeing and life satisfaction increasingly move together across individuals, indicating a stronger connection between housing conditions and overall subjective wellbeing. In this sense, housing is no longer a separate domain of experience, but a key factor in how individuals evaluate their overall quality of life.

Increasing Centrality of Housing Wellbeing

Beyond the shift in the composition of the main dimension, the results also indicate a change in how strongly this dimension captures differences between individuals. In 2024, the first principal component, defined by housing-related variables, accounts for a larger share of overall variation than in 2005. This indicates that differences between individuals are more strongly aligned along this single dimension.

The tighter grouping of housing-related variables along the primary dimension (particularly housing security, housing satisfaction, and life satisfaction) indicates that these outcomes increasingly move together across individuals. At the same time, socio-economic characteristics are positioned along a secondary dimension, suggesting that they play a smaller role in explaining overall variation.

This indicates that housing wellbeing has become more important and points to a system in which housing conditions play a more central role in structuring overall patterns of inequality. In particular, housing security shifts from a secondary outcome to a central axis of differentiation across individuals.

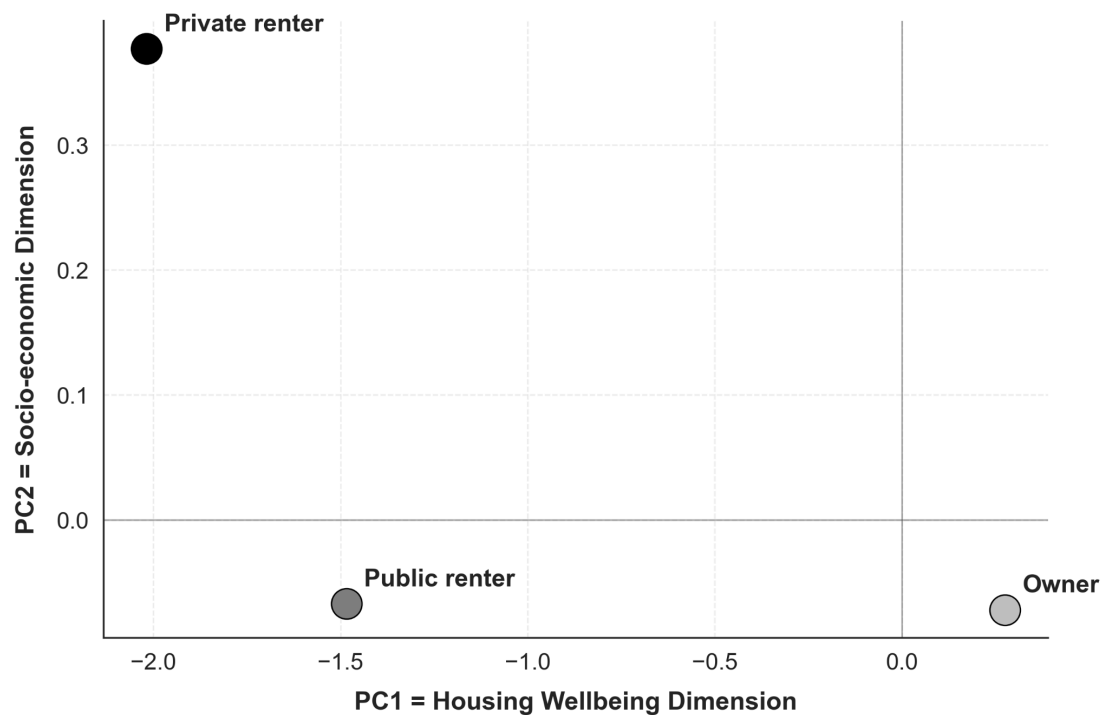
Position of Tenure Within the PCA Space

The position of tenure groups within the PCA space further illustrates how these structural changes relate to housing inequality. As shown in Figure 5.5 (2024), the horizontal axis represents the primary dimension of variation (housing wellbeing), while the vertical axis captures the secondary socio-economic dimension. Private renters are located at the negative end of the horizontal axis, reflecting lower levels of housing security and satisfaction, while homeowners occupy the opposite end, with public renters positioned in between.

This pattern closely mirrors the tenure hierarchy observed in the descriptive analysis, but places it within the broader structure of housing outcomes. Differences between tenure groups are therefore not isolated across individual indicators, but are aligned along the dominant dimension of variation, indicating that tenure is closely linked to the overall organisation of housing wellbeing.

By contrast, this alignment is less pronounced in 2005, where tenure differences are not structured along the primary dimension to the same extent, suggesting that by 2024 they become more clearly aligned with housing-related differences.

Figure 5.5: Position of Tenure Groups in PCA Space, 2024 (Centroids)



Note: The horizontal axis represents the primary dimension (housing wellbeing), while the vertical axis represents the secondary socio-economic dimension. Positions indicate how tenure groups differ along these dimensions. The positioning of tenure groups illustrates the structural hierarchy: homeowners are located on the far right (positive end) of the horizontal axis, indicating high levels of housing wellbeing, while private renters are positioned on the far left (negative end), reflecting substantial housing disadvantage. Public renters occupy the middle.

Synthesis of PCA Results

The PCA results indicate a clear reorganisation in how housing outcomes are structured. The primary dimension of variation shifts from socio-economic characteristics to housing-related experiences, with housing wellbeing emerging as the main dimension along which individuals differ. Life satisfaction becomes integrated into this dimension, moving together with housing security and satisfaction. In addition, tenure differences align more clearly along this axis, indicating that inequalities between tenure groups are now more closely linked to this pattern.

These findings suggest that housing conditions have become more central to overall patterns of wellbeing. This raises the question of how these patterns are distributed across the population. The following section addresses this by examining the distribution of housing profiles through cluster analysis.

5.3 Distribution of Housing Profiles (Clustering)

Analytical Purpose and Approach

Building on the PCA results, cluster analysis is used to examine how housing conditions are distributed across the population. While PCA identifies how housing and wellbeing variables

are related to each other and summarises them into key dimensions, cluster analysis groups individuals into distinct housing profiles based on these dimensions. This makes it possible to capture multidimensional housing positions, reflecting how different aspects of housing conditions combine within individuals.

This approach allows the analysis to move from relationships between variables to the distribution of these patterns across individuals. The analysis therefore examines how housing vulnerability is distributed and how this distribution changes between 2005 and 2024.

Stability of Housing Profiles

The clusters are estimated separately for each survey wave and reveal a consistent structure of housing profiles across both periods. In both 2005 and 2024, three distinct groups emerge: **vulnerable households, older stable households, and affluent secure households**. These clusters reflect different combinations of housing conditions, socio-economic characteristics, and subjective wellbeing.

The persistence of this three-part typology indicates that the underlying structure of the housing system remains stable. While the relationships between variables change (as shown in the PCA), the grouping of individuals into housing profiles remains consistent. The distribution of households across these groups may shift, but the categories themselves remain comparable across periods, allowing meaningful comparison between 2005 and 2024. Detailed characteristics of each cluster are reported in Appendix Table B2 (2005) and Appendix Table B3 (2024).

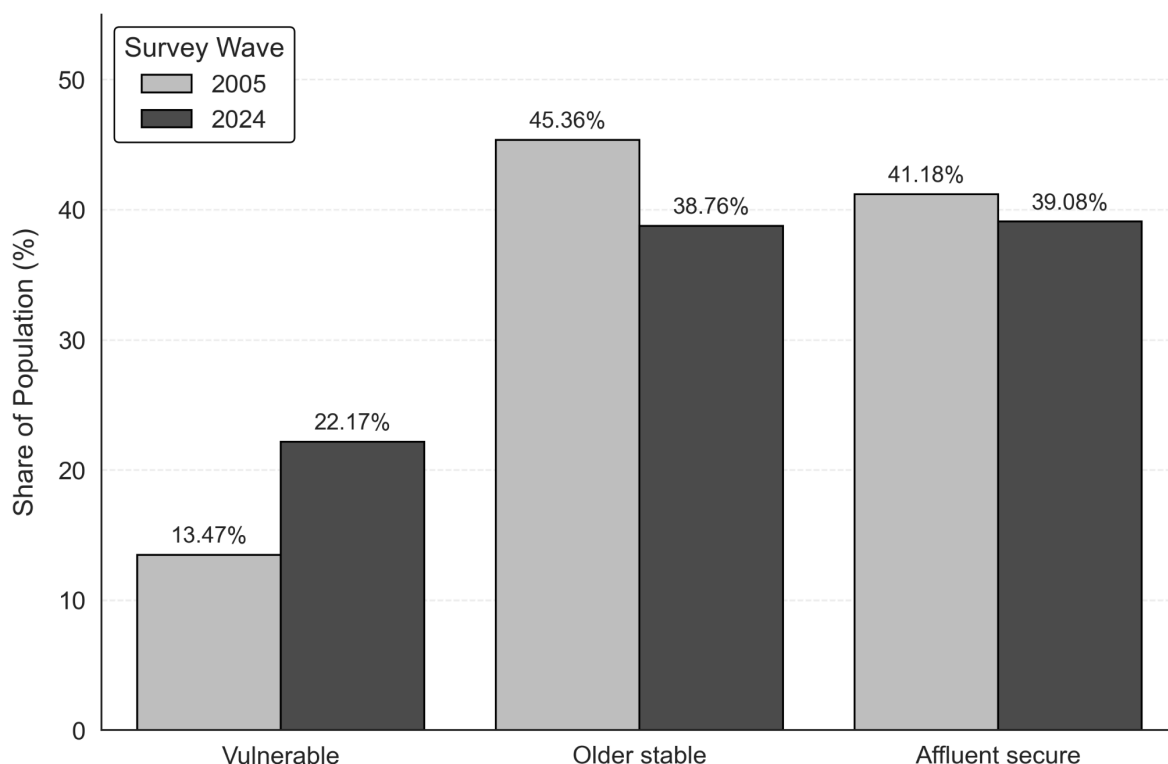
Expansion of Housing Vulnerability

The main change in the distribution of housing profiles is a substantial expansion of the vulnerable cluster (see Figure 5.6). The share of households in vulnerable positions increases from 13% in 2005 to 22% in 2024. At the same time, the share of older stable households declines from 45% to 39%, while the affluent secure group decreases slightly from 41% to 39%.

This pattern indicates a shift away from stable housing positions towards greater exposure to vulnerability. Importantly, this change does not reflect the emergence of new types of housing disadvantage, but a shift in how households are distributed across existing housing profiles. The expansion of vulnerability is therefore driven by a reallocation of households within a stable underlying structure.

These results point to a contraction of stable housing positions, with the combined share of the two stable clusters declining from approximately 86% to 78%.

Figure 5.6: Distribution of Housing Clusters (2005 and 2024)



Vulnerability Within Tenure

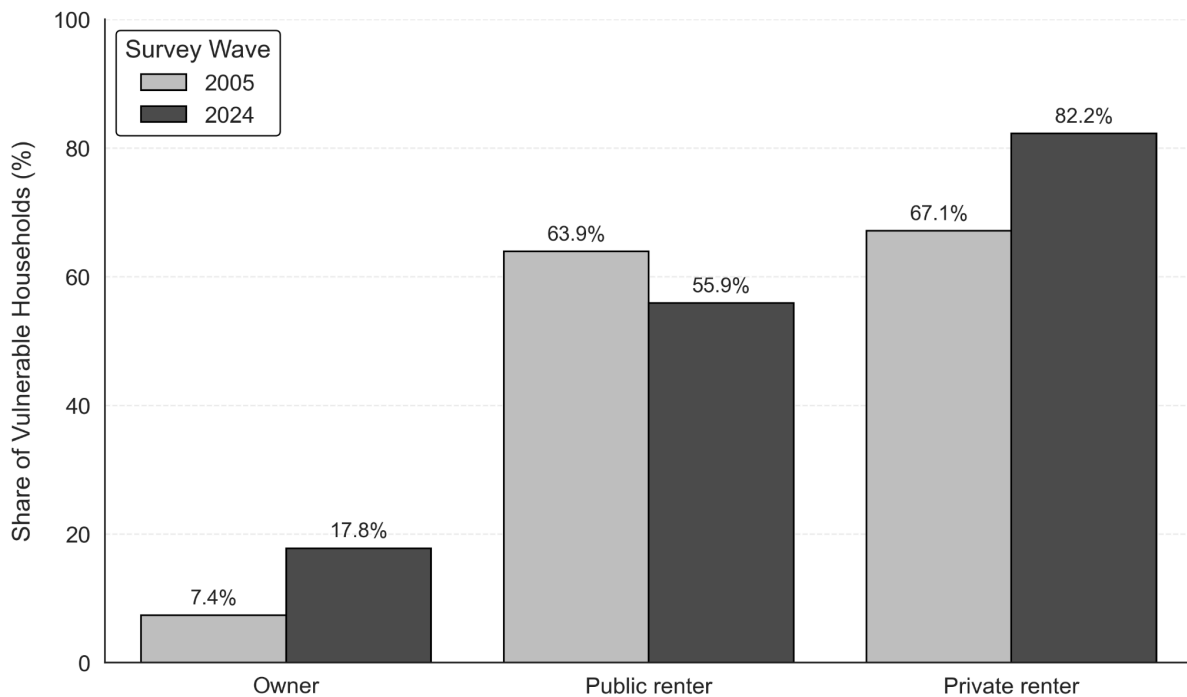
This section examines how the risk of housing vulnerability differs across tenure groups.

Housing vulnerability appears to be strongly structured by tenure (see Figure 5.7). Private renters face the highest levels of vulnerability, followed by public renters, while homeowners remain the least exposed. Over time, these differences persist but also evolve.

The most pronounced change occurs in the private rental sector. In 2005, 67% of private renters are in vulnerable positions, increasing to 82% in 2024. By contrast, the share of vulnerable homeowners rises from 7% to 18%, indicating a large increase in exposure among owners, although at substantially lower levels. Public renters occupy an intermediate and relatively stable position, suggesting a partial buffering effect compared to the private rental sector.

These patterns indicate that private renting shifts from a high-risk position towards a near-universal condition of vulnerability within this group. At the same time, the increase in vulnerability among homeowners suggests that housing insecurity is no longer confined to the rental sector which points to a broader expansion of vulnerability beyond traditionally exposed groups.

Figure 5.7: Share of Vulnerable Households by Tenure (2005 and 2024)



Tenure Composition Within Clusters

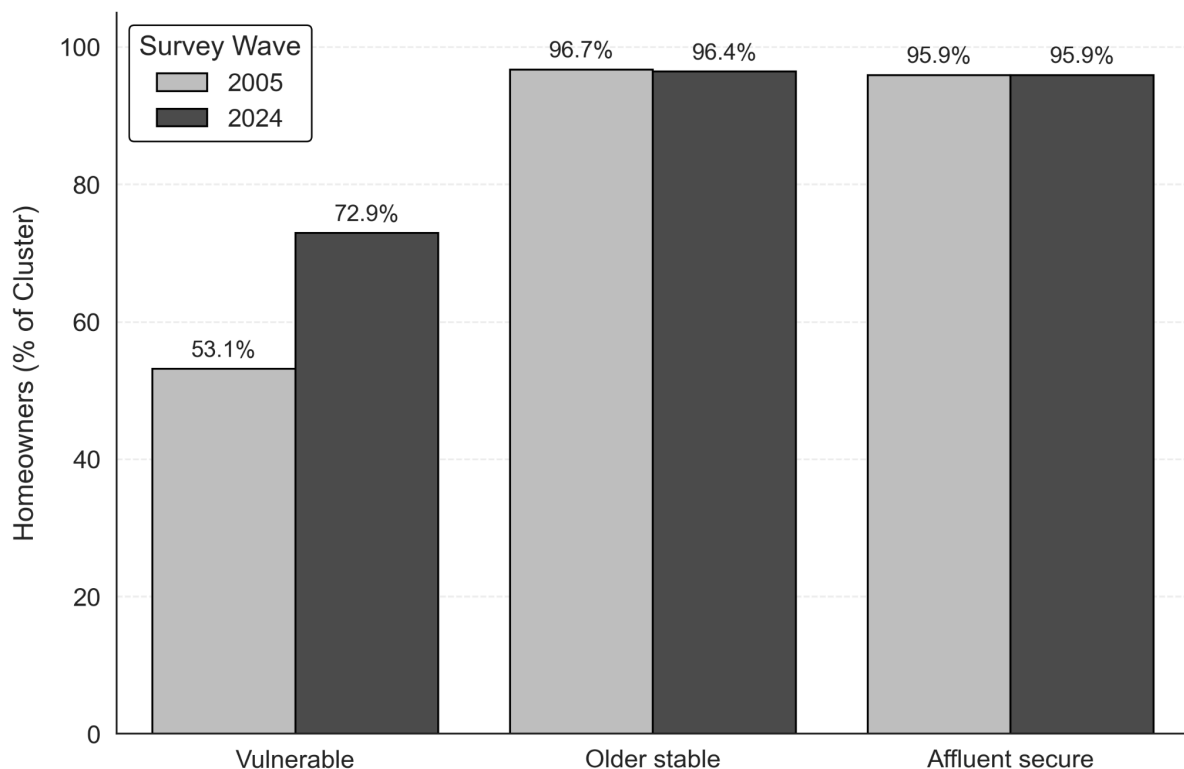
While the previous section examined the risk of vulnerability within tenure groups, this section focuses on the composition of housing clusters themselves by looking at which tenure groups make up the vulnerable population.

The composition of the vulnerable cluster changes substantially over time, increasingly including homeowners (see Figure 5.8). In 2005, homeowners account for 53% of the vulnerable group, rising to 73% in 2024. By contrast, the composition of stable clusters remains largely unchanged, with approximately 96% of households in both the older stable and affluent secure groups being homeowners across periods. Detailed tenure shares for each cluster are reported in Appendix Table B4.

These patterns point to two key insights. First, housing vulnerability increasingly affects homeowners, indicating the emergence of a precarious owner position. Ownership no longer guarantees housing stability. Second, stable housing positions remain overwhelmingly restricted to homeowners, suggesting a persistent divide in access to secure housing conditions, with stability remaining overwhelmingly concentrated among homeowners.

At the same time, the share of private renters within stable and affluent positions declines, reinforcing their concentration in vulnerable housing situations. Public renters occupy an intermediate and relatively stable position, indicating that the public sector continues to provide a degree of protection compared to the private rental market.

Figure 5.8: Share of Homeowners within Housing Clusters (2005 and 2024)



Synthesis of Clustering Results

Taken together, the clustering results indicate a restructuring of housing inequality along two key dimensions: the expansion of vulnerability and the persistence of ownership-based stability.

First, housing vulnerability expands substantially, with a growing share of households exposed to less secure housing conditions. This reflects a shift in how households are distributed across housing profiles, rather than the emergence of new forms of disadvantage.

Second, the role of homeownership changes. While ownership remains associated with more favourable outcomes on average, it no longer guarantees protection from vulnerability. The increasing presence of homeowners within the vulnerable cluster points to a transformation in the meaning of ownership as a secure housing position.

Third, a clear structural divide persists. Stable housing positions remain overwhelmingly concentrated among homeowners, indicating that access to secure housing conditions continues to depend strongly on tenure, while also likely reflecting that households in more stable housing positions are more able to attain and sustain homeownership.

The housing system therefore does not move toward a more equal distribution of housing conditions. Instead, vulnerability expands across the population, while access to stable housing remains highly concentrated among homeowners.

The expansion of housing vulnerability raises the question of which population groups are driving this shift. In particular, the age profile of the vulnerable group shifts towards older age groups over time, indicating that vulnerability is no longer concentrated primarily among younger households and may no longer represent only a temporary phase, but a more persistent condition for some groups.

These patterns raise the question of whether the increase in vulnerability is driven by changes within specific age groups over time or within particular cohorts.

5.4 Generational and Structural Patterns of Vulnerability

Analytical Purpose and Identification Logic

This section examines whether the expansion of housing vulnerability identified in the cluster analysis reflects differences across age groups, broader structural changes over time, or diverging trajectories across generations. To address this, the analysis compares housing outcomes across age groups and birth cohorts.

Comparing individuals of the same age group in 2005 and 2024 allows assessing whether vulnerability has increased within comparable age groups over time. By contrast, tracking birth cohorts across the two periods allows examining how the same groups evolve over time and whether they transition into more stable housing positions as they age.

This approach makes it possible to distinguish patterns related to life-course progression from those reflecting broader structural or generational shifts.

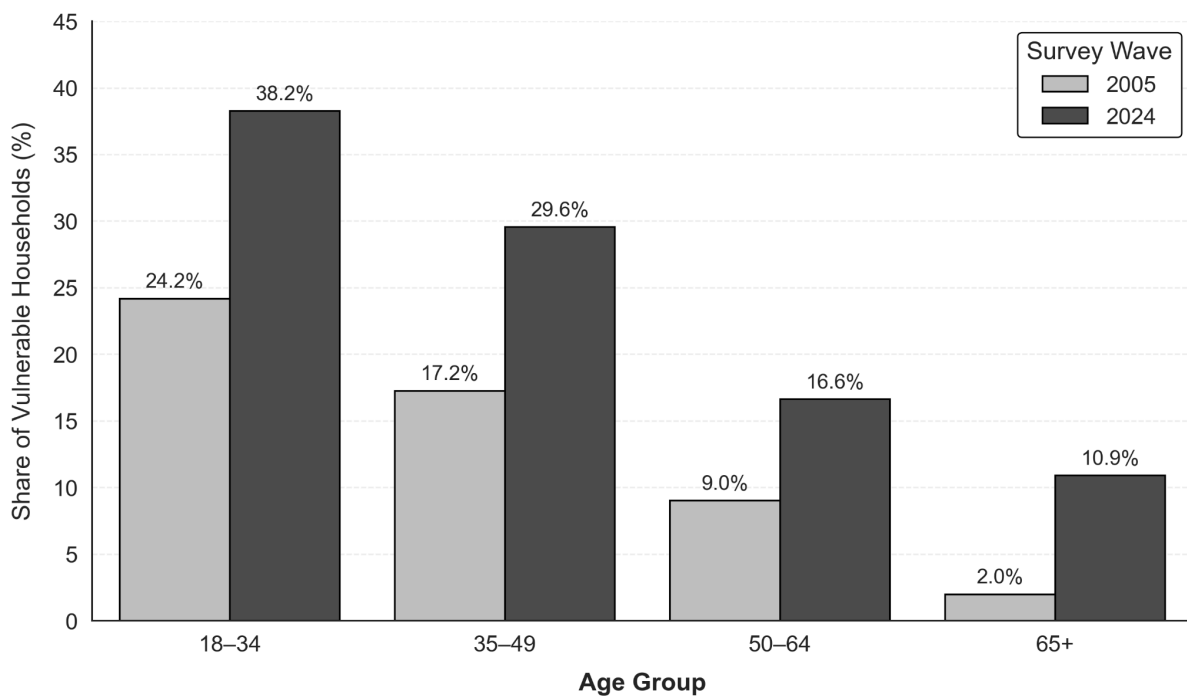
Age Patterns: Vulnerability Increases Across All Life Stages

Housing vulnerability increases within all age groups when comparing individuals at similar life stages across time (see Figure 5.9), indicating that the observed changes are not confined to specific phases of the life course.

The increase is visible across all age groups, about 10 percentage points. Among younger individuals aged 18–34, the share of vulnerable households rises from 24% to 38%. A similar pattern is observed among those aged 35–49, where vulnerability increases from 17% to 30%. Even among older individuals aged 65 and above, vulnerability increases from 2% to 11%, although remaining at substantially lower levels.

Taken together, these patterns indicate that the expansion of housing vulnerability is not driven solely by differences between age groups. While the largest increases are observed among younger and mid-life groups, the upward trend across all ages points to a system-wide shift.

Figure 5.9: Share of Vulnerable Households by Age Group (2005 and 2024)



Cohort Trajectories: Divergence Across Generations

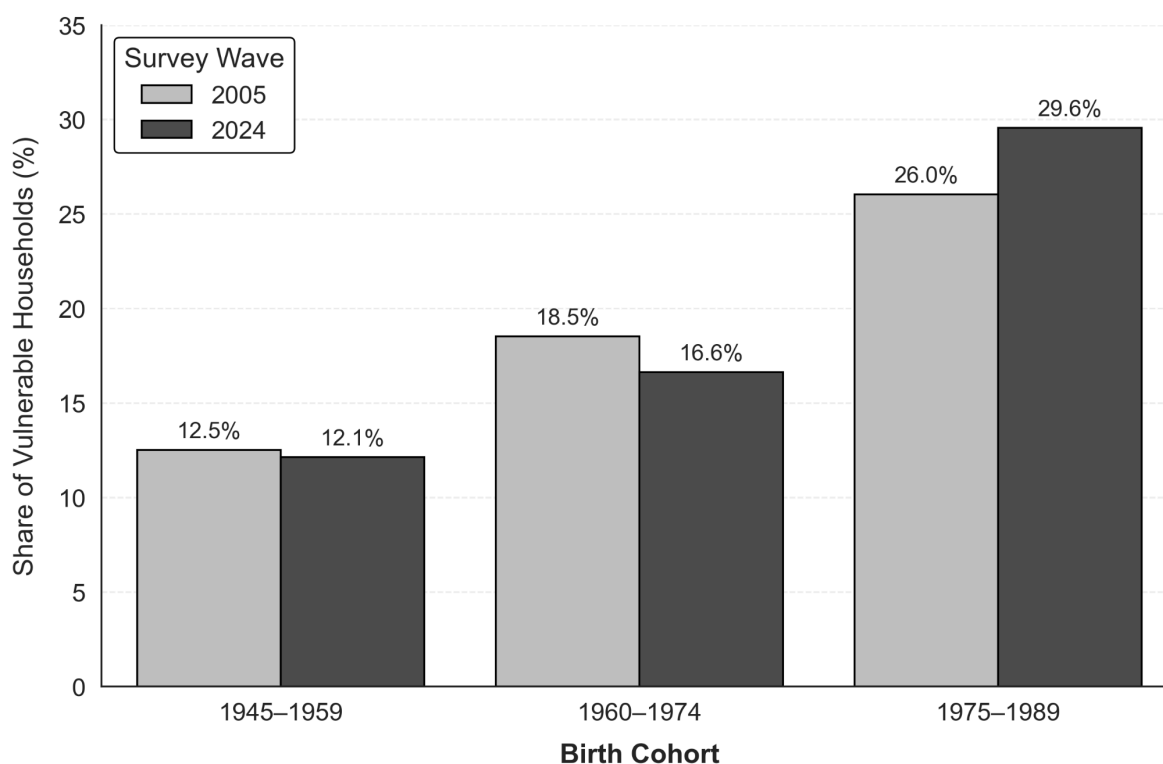
Cohorts follow different housing trajectories over time, indicating that the expansion of vulnerability is not experienced uniformly across generations.

Among older cohorts (1945–1959 and 1960–1974), housing trajectories reflect a transition into more stable positions over time. Vulnerability remains stable or even declines, suggesting that older cohorts largely consolidate into stable housing positions as they age, consistent with a traditional life-course progression into stable housing.

In contrast, the youngest cohort (1975–1989) does not exhibit the same transition into stability (see Figure 5.10). The share of vulnerable households increases from 26% to 30%, indicating that younger cohorts do not follow the same pathway into secure housing but remain exposed to higher levels of vulnerability over time. Notably, this cohort includes individuals who are no longer in early adulthood in 2024, indicating that elevated vulnerability persists beyond traditionally “young” ages.

Taken together, these patterns indicate diverging life-course trajectories across generations. Earlier cohorts converge into housing stability, suggesting that housing vulnerability is a temporary phase of their life course. By contrast, younger cohorts do not transition into stable positions and for them vulnerability persists over time. This reinforces earlier findings showing that the vulnerable population becomes older on average, indicating that housing vulnerability is no longer a transitional life stage, but a more permanent condition for some.

Figure 5.10: Share of Vulnerable Households by Cohort (2005 and 2024)



Income and Vulnerability: Weakening Protective Effect

Income continues to matter for housing vulnerability, but its protective role varies substantially across cohorts (see Figure 5.11).

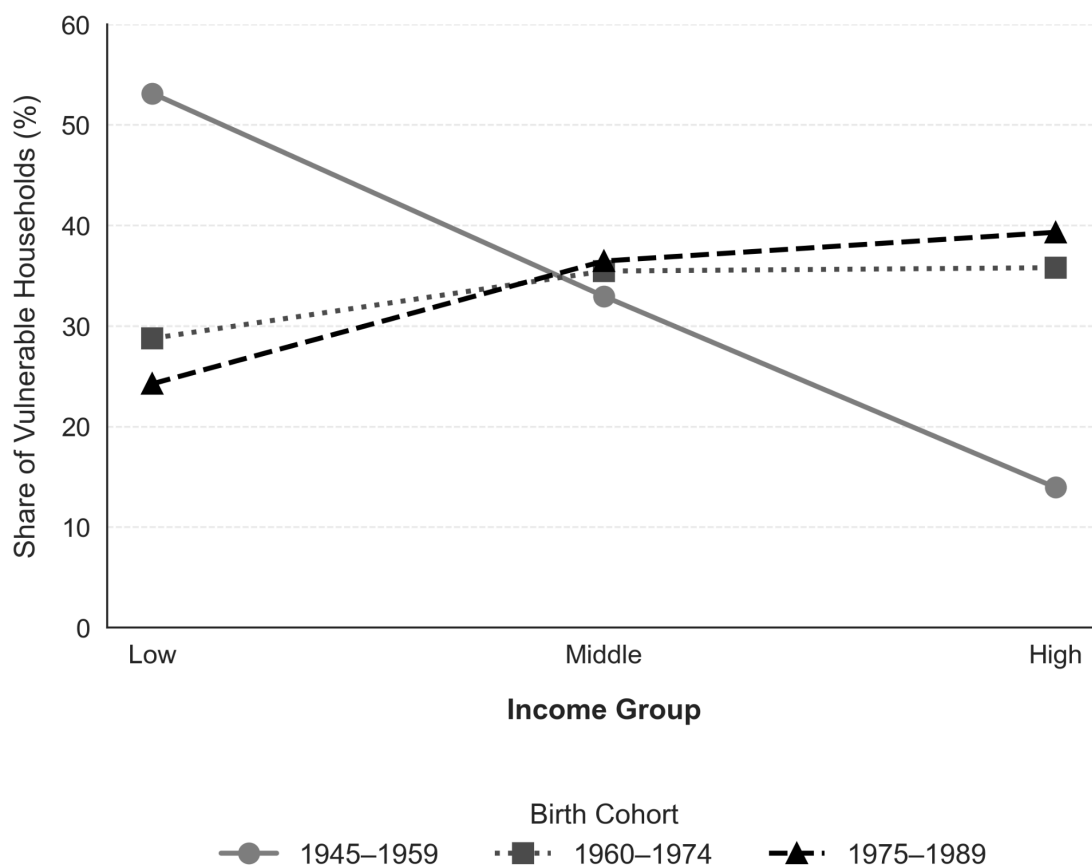
Among the oldest cohort, income remains a strong source of differentiation. High-income households show relatively low levels of vulnerability, at around 14%, indicating that higher income is associated with more secure housing positions. This pattern suggests that income continues to provide effective protection against housing vulnerability for older generations.

For the middle cohort, this becomes less pronounced. Differences in vulnerability across income groups remain visible, but the gap between low- and high-income households narrows, indicating a weakening of income-based stratification.

The pattern changes more sharply for the younger cohorts. Vulnerability is high even among middle- and high-income households, with rates reaching approximately 36% and 39% respectively. Rather than showing a protective effect, vulnerability remains high across income groups, with no decrease at higher income levels. This indicates that access to stable housing is no longer determined by income alone for younger cohorts. This pattern is somewhat counterintuitive and points to the presence of broader structural constraints in the housing system which limit access to stable housing, which are explored further in Section 5.7.

These results indicate that the protective role of income diverges across cohorts. While it remains strongly protective for older generations, its effect is substantially weaker for younger cohorts. For the youngest, the pattern even suggests a slight reversal, with vulnerability levels highest among higher-income groups, although this likely reflects structural constraints rather than a true inverse relationship between income and housing security. Housing vulnerability in 2024 cannot therefore be interpreted as purely a low-income phenomenon among younger households, as it is observed even among middle- and high-income groups.

Figure 5.11: Share of Vulnerable Households by Income Group and Cohort (2024)



Synthesis of Generational Analysis

The results indicate that the expansion of housing vulnerability reflects both structural and generational dynamics.

First, vulnerability increases across all age groups, indicating that the observed changes are not confined to specific stages of the life course but reflect broader shifts in housing conditions.

Second, cohort analysis reveals diverging patterns across generations. While older cohorts transition into more stable housing positions over time, younger cohorts remain exposed to higher levels of vulnerability, indicating constraints in accessing secure housing.

Third, the role of income differs across cohorts. While income remains strongly protective for older generations, it provides substantially weaker protection for younger cohorts, where even middle- and high-income households face high vulnerability.

All in all, these findings indicate that the expansion of housing vulnerability cannot be explained solely by differences in age or income. Instead, they point to a structural shift in the housing system, in which access to stable housing has become more constrained and increasingly stratified across generations. The following section examines whether these patterns persist when accounting for observable characteristics and estimates the association between housing tenure and housing outcomes.

5.5 Tenure Effects on Housing and Wellbeing Outcomes (Regression Models)

Analytical Focus And Strategy

This section examines how housing tenure is associated with differences in housing and wellbeing outcomes while accounting for observable characteristics, directly addressing the central research question of the thesis: to what extent is housing tenure associated with subjective wellbeing in Slovenia, and how has this relationship evolved between 2005 and 2024.

The analysis first estimates the association between housing tenure and outcomes while controlling for socio-demographic, housing, and neighbourhood characteristics.

Furthermore, to examine how these relationships evolve over time, pooled regression models combine both survey waves and include an interaction between tenure and survey year, incorporating the same full set of controls. While the cross-sectional models estimate the association between tenure and outcomes within each period, the pooled models assess whether tenure differences change significantly between 2005 and 2024.

In addition while the descriptive sections refer to the original scales of housing satisfaction and life satisfaction, the regression models use binary indicators of adverse outcomes, as described in Section 4.5 and shown in Table 4.2. The analysis therefore focuses on housing insecurity, housing cost burden, housing dissatisfaction, and life dissatisfaction, with results presented sequentially for each outcome.

The estimated tenure effects for each outcome are summarised in Table 5.1, which reports Average Marginal Effects from the fully adjusted models. Changes over time are summarised in Table 5.2, while full regression results, including baseline, fully adjusted, and pooled models, are reported in Appendix Tables B5–B7.

Table 5.1: Tenure Differences in Housing and Wellbeing Outcomes (Fully Adjusted Model, Average Marginal Effects (AMEs))

Outcome	Tenure	2005 AME	2024 AME
Housing insecurity	Private renter	0.167***	0.462***
	Public renter	0.126***	0.330***
Housing cost burden	Private renter	0.092***	0.375***
	Public renter	0.112***	0.180***
Housing dissatisfaction	Private renter	0.223***	0.145***
	Public renter	0.045	0.096***
Life dissatisfaction	Private renter	-0.108	0.082**
	Public renter	-0.001	0.092***

Note: Average Marginal Effects (AMEs) reported. The reference category for tenure is homeowners. Fully adjusted models include socio-demographic, housing, and neighbourhood controls. Significance levels: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Housing Insecurity

Raw descriptive results show that housing insecurity increases sharply across all tenure groups between 2005 and 2024, but remains strongly differentiated by tenure status. This indicates both a general increase in housing insecurity and a persistent tenure-based hierarchy.

Regression results (see Table 5.1) confirm that this gap is very large and only partially explained by observable characteristics. In the baseline model without controls, renters are substantially more likely to report housing insecurity than homeowners. Introducing controls reduces the gap, but only to a limited extent which indicates that while part of the insecurity gap is related to differences in observable characteristics, a substantial share remains unexplained, suggesting that additional factors associated with tenure or other unobserved characteristics may play an important role (for full regression results including baseline and fully adjusted model details see Appendix Table B5 for 2005 and Table B6 for 2024).

The magnitude of this association differs across renter groups. Private renters exhibit the strongest disadvantage, while public renters face lower but still substantial levels of insecurity. This indicates a segmented rental system in which public or non-profit renting provides greater stability than private market renting, but does not eliminate the insecurity gap relative to ownership. In 2024, private renters are approximately 46 percentage points

more likely to experience housing insecurity than homeowners in the fully controlled model, compared to 33 percentage points for public renters, confirming that the tenure gap is not only statistically significant but also substantively large.

Pooled regression results (see Table 5.2) show no significant change in the tenure gap for housing insecurity over time, with only a slight reduction for public renters. The increase in housing insecurity therefore reflects a broader structural shift affecting the housing system as a whole rather than a widening gap between tenure groups. Housing insecurity has become more widespread across all tenure groups, including homeowners, while the relative disadvantage of renters persists.

These findings support H1, which states that homeowners report higher perceived housing security than renters, and **H4**, which expects tenure differences to persist after controlling for socio-demographic characteristics and housing conditions, as the tenure gap remains substantial even after accounting for these factors. Housing insecurity in Slovenia is therefore characterised by a persistent gap between tenure groups alongside a general increase in perceived insecurity.

Housing Cost Burden

Raw descriptive results show that housing cost burden increases across all tenure groups between 2005 and 2024, with particularly strong increases among homeowners. Despite this shift, renters remain more likely to experience financial strain related to housing. Similarly to housing insecurity, this indicates a general rise in housing affordability pressures alongside a persistent tenure-based gradient.

Regression results for 2005 show a very large tenure gap. In the baseline model without controls, renters are substantially more likely to report housing cost burden, with particularly high levels among public renters. The inclusion of socio-demographic and housing controls reduces the gap, but it remains very large, indicating that even after controlling for observable characteristics, renters remain substantially more likely to experience housing cost burden (see Appendix Tables B5 and B6 for full model estimates).

By 2024, this gap persists and remains substantial, although the estimated difference appears smaller than in 2005; this change is confirmed in the pooled models. While renters continue to face higher levels of cost burden, the relative difference compared to homeowners declines. Notably, the inclusion of controls slightly increases the estimated disadvantage for private renters, suggesting that their demographic characteristics partially mask the underlying affordability pressures they face. In the fully controlled model, private renters remain approximately 38 percentage points more likely to experience cost burden than homeowners, compared to approximately 18 percentage points for public renters.

These results indicate that housing cost burden, just like housing insecurity, remains strongly associated with tenure status, but also reflects broader socio-economic and housing condition differences. Income, household composition, and housing characteristics play an important role, yet they do not fully account for the observed tenure gap.

Pooled regression results confirm a reduction in the tenure gap over time, with the strongest convergence observed for public renters and a more moderate decline for private renters. Importantly, this convergence does not reflect improved affordability among renters, but rather a substantial increase in cost burden among homeowners. This indicates that housing affordability pressures have become more widespread across the housing system. In contrast to housing insecurity, where the tenure gap remains stable, housing cost burden shows a convergence across tenure groups.

These findings support H2, which states that private renters experience higher housing cost burden than homeowners and public renters and are also consistent with **H4, which expects tenure differences to persist after controlling for observable characteristics**, as the tenure gap remains significant after these controls. Housing cost burden in Slovenia thus reflects a shift from a renter-specific disadvantage to a broader system-wide affordability constraint, while maintaining clear tenure-based differences.

Housing Dissatisfaction

Raw descriptive results show that housing dissatisfaction declines overall between 2005 and 2024, but tenure differences remain visible. Renters continue to report higher dissatisfaction than homeowners, even as average housing satisfaction improves across the population. This pattern contrasts with housing insecurity and housing cost burden, both of which worsen over time, and suggests that material housing conditions may be improving despite rising financial pressure and insecurity.

Regression results for 2005 show a strong dissatisfaction gap for private renters, which remains significant after controls are introduced. By contrast, the disadvantage observed among public renters disappears once housing and socio-demographic characteristics are taken into account. This indicates that the dissatisfaction gap among public renters in 2005 is largely explained by differences in housing conditions rather than tenure alone (see Appendix Table B5 for base model details).

By 2024, the pattern changes. Private renters still show significantly higher housing dissatisfaction but a significant disadvantage also emerges for public renters after full controls, although this disadvantage remains less pronounced than among private renters. This suggests that tenure status itself continues to shape housing satisfaction beyond observable housing characteristics (see Appendix Table B6).

At the same time, the mechanism behind this outcome differs from that of housing insecurity and cost burden. Housing dissatisfaction appears to be more closely related to physical housing conditions, including housing quality problems, overcrowding, and renovation needs, than to socio-economic characteristics alone, unlike housing insecurity and cost burden, which are closely tied to financial pressure and tenure status.

Pooled regression results show that the housing dissatisfaction gap for private renters remains broadly stable over time, while a new disadvantage emerges for public renters. This indicates a widening dissatisfaction gap within the public rental sector. While affordability

pressures and insecurity have become more widespread, housing satisfaction follows a different trajectory: overall improvement alongside persistent and evolving tenure differences, including the emergence of disadvantage among public renters.

These findings are consistent with **H1, which expects homeowners to report higher housing satisfaction than renters**, and support **H3, which proposes differences between private and public renters in housing dissatisfaction**, as public renters occupy an intermediate position throughout, although this distinction changes over time: while they do not differ significantly from homeowners in 2005, they become significantly more likely to report housing dissatisfaction by 2024, narrowing the gap between public and private renters.

They also support **H4, which states that tenure differences persist after controlling for socio-demographic characteristics and housing conditions**, although the results suggest that part of the dissatisfaction gap is associated with differences in housing quality rather than tenure alone.

Life Dissatisfaction

Raw descriptive results show that life dissatisfaction declines overall between 2005 and 2024, but this improvement is uneven across tenure groups. Homeowners experience the largest gains, public renters improve more moderately, while life dissatisfaction worsens among private renters. As a result, private renters shift from being among the more advantaged groups to one of the most disadvantaged, converging with public renters at the lower end of the distribution. This indicates a deterioration in their relative wellbeing position despite overall improvements across the population, suggesting that growing pressures in the private rental sector may increasingly translate into broader wellbeing disadvantages.

Regression results for 2005 show no independent association between housing tenure and life dissatisfaction once observable characteristics are taken into account. In the baseline model without controls, private renters appear less likely to report life dissatisfaction than homeowners, but this difference disappears after introducing socio-demographic and housing controls. In the fully controlled model, no statistically significant tenure differences remain. This indicates that in 2005, life dissatisfaction is largely shaped by differences in characteristics rather than tenure itself (see Appendix Table B5 for full specifications).

By 2024, this pattern changes. Both private and public renters show significantly higher levels of life dissatisfaction than homeowners, and these differences persist after full controls. The key point is not only that renters are more likely to report life dissatisfaction, but that this association remains even after accounting for socio-demographic characteristics and housing conditions. Housing tenure is therefore significantly associated with broader subjective wellbeing in the later period (see Appendix Table B6).

The emergence of a tenure effect in 2024 indicates that differences between tenure groups persist even after controlling for these factors, suggesting that housing conditions increasingly contribute to overall wellbeing, as growing housing pressures extend beyond material conditions and shape overall life satisfaction.

Pooled regression results confirm that the tenure gap in life dissatisfaction changes significantly over time (see Appendix Table B7 for interaction estimates). While no meaningful differences are observed in 2005, a strong increase emerges for private renters and a weaker but statistically significant increase for public renters. This provides clear evidence that the relationship between housing tenure and subjective wellbeing strengthens over time. Unlike housing insecurity and housing cost burden, where tenure differences remain relatively stable or narrow in the case of cost burden, life dissatisfaction shows the emergence of a new tenure-based disadvantage.

This finding aligns with earlier PCA results, where life satisfaction moves together with housing security and housing satisfaction in 2024. Housing inequalities, previously more confined to housing-specific outcomes, increasingly extend into broader life dissatisfaction particularly among private renters.

The findings provide **strong support for H1 in 2024**, as renters report higher life dissatisfaction than owners, and **support H4**, which expects tenure differences to persist after controlling for observable characteristics, as the tenure gap remains significant in the fully adjusted model (in 2024). At the same time, the absence of a significant tenure effect in 2005 indicates that this relationship emerges over time rather than existing uniformly across both periods. Life dissatisfaction therefore represents the clearest case in which housing tenure moves beyond housing-specific outcomes and becomes linked to broader subjective wellbeing.

The overall changes in tenure effects across outcomes are summarised in Table 5.2. Corresponding pooled regression estimates, including tenure–year interaction terms, are reported in Appendix Table B7.

Table 5.2: Changes in Tenure Effects Over Time (Pooled Models)

Outcome	2005 Gap	2024 Gap	Interpretation
Housing insecurity	Strong	Strong	Stable tenure-based inequality
Housing cost burden	Strong	Smaller	Convergence driven by rising owner burden
Housing dissatisfaction	Strong (private)	Strong (overall)	Persistent gap; public renter disadvantage emerges
Life dissatisfaction	None	Significant	Emergence of tenure-based inequality

Synthesis of Regression Results

The regression results reveal different patterns across outcomes. Housing insecurity shows a large and stable tenure gap over time, indicating persistent differences between owners and renters. Housing cost burden also exhibits a strong gap, but this narrows due to rising affordability pressures among homeowners rather than improvements among renters. Housing dissatisfaction remains persistently higher among renters, with a new disadvantage emerging for public renters over time. In contrast, life dissatisfaction shows no tenure gap in 2005 but a clear and significant gap emerges by 2024.

These findings provide strong support for the proposed hypotheses.

H1, which states that homeowners report higher housing security, housing satisfaction, and life satisfaction than renters, is supported over all outcomes. Homeowners consistently report more favourable housing conditions, while a tenure gap in life satisfaction emerges clearly in 2024.

H2, which proposes that private renters experience higher housing cost burden than homeowners and public renters, is strongly supported, as private renters face the highest levels of financial pressure.

H3, which expects differences in outcomes between private and public renters, is also supported. Public renters occupy an intermediate position, although this distinction becomes less pronounced over time as disadvantages emerge in housing dissatisfaction and life dissatisfaction.

H4, which states that tenure differences persist after controlling for socio-demographic and housing characteristics, is strongly supported. Tenure gaps remain significant across outcomes, particularly in 2024, with a new gap in life dissatisfaction emerging, whereas no such difference is observed in 2005.

These results indicate that housing tenure is strongly associated with differences in both housing outcomes and subjective wellbeing. These differences are persistent, span multiple dimensions, and are not fully explained by observable characteristics, particularly in the case of housing insecurity and, increasingly, life dissatisfaction. This suggests that housing tenure reflects broader structural inequalities within the housing system and plays an increasing role in shaping overall subjective wellbeing.

While regression results establish the existence and evolution of tenure differences, they do not explain the mechanisms underlying these gaps. The following section decomposes these differences into compositional and residual components.

5.6 Decomposition of Tenure Gaps (Oaxaca–Blinder)

Analytical Purpose and Approach

This section extends the analysis by examining the sources of tenure differences in housing

and wellbeing outcomes. While the regression results establish the magnitude and persistence of these differences, the decomposition analysis examines where these differences originate.

The Oaxaca–Blinder decomposition separates the observed tenure gap into two components: an **explained or compositional component**, capturing differences in socio-demographic, housing, and neighbourhood characteristics, and an **unexplained component or coefficient effect**, reflecting residual differences associated with tenure status as well as other unobserved factors.

While all previous analytical steps compare homeowners, private renters, and public renters, the decomposition focuses specifically on the comparison between homeowners and private renters in order to provide a clearer and more interpretable breakdown of tenure differences. References to renters in this section therefore refer to private renters only.

The decomposition analysis is based on the same set of control variables as the regression analysis, ensuring consistency in the set of controls. A summary of the decomposition results is presented in Table 5.3 (just below), providing an overview of the magnitude of tenure gaps and the relative importance of explained and unexplained components across outcomes. The full results, including the contribution of explained and unexplained components in absolute terms, are reported in Appendix Table B8.

The results are presented by outcome, highlighting how the relative importance of compositional and coefficient (residual) factors varies across different dimensions of housing and wellbeing.

A graphical representation of these patterns is provided in Figure 5.12, which illustrates the relative contribution of explained and unexplained components across outcomes.

Table 5.3: Decomposition of Tenure Gaps (Explained vs Unexplained Components)

Outcome	Gap 2005 (pp)	Gap 2024 (pp)	Explained Share (%)	Main pattern
Housing insecurity	54	46	10% → 40%	Mixed (increasing explained share)
Housing cost burden	34	38	10%	Largely unexplained
Housing dissatisfaction	41	38	40%	Largely unexplained
Life dissatisfaction	−18	13	50%–70% → 33%	Shift from explained to unexplained

Note: Reported gaps represent differences in predicted probabilities (percentage points) between homeowners and private renters. The explained share indicates the proportion of the gap attributable to differences in observable socio-demographic, housing, and neighbourhood characteristics, while the unexplained share reflects the remaining difference associated with differences in coefficients and other unobserved factors. The “Main pattern” summarises whether the gap is primarily driven by compositional differences or residual factors.

Explained shares are rounded to the nearest whole number and should be interpreted as approximate values.

Housing Insecurity

The decomposition results show that the tenure gap in housing insecurity remains very large in both periods, although it decreases slightly. In 2005, the gap is almost entirely unexplained, with only a small share attributable to differences in observable characteristics, indicating that perceived housing insecurity is strongly associated with factors not captured by observable socio-demographic and housing characteristics.

By 2024, the structure of the gap changes. The explained component increases substantially, accounting for a much larger share of the difference between homeowners and private renters. This suggests that differences in housing conditions and socio-economic resources play a greater role in generating insecurity. However, a large unexplained component persists, indicating that tenure likely remains an important factor associated with perceived housing insecurity beyond observable characteristics.

These results indicate a mixed mechanism. Housing insecurity increasingly reflects differences in material conditions and resources, while a substantial residual component suggests a continuing tenure-linked disadvantage. This pattern aligns with the regression results, which show a large and persistent tenure gap alongside a system-wide increase in perceived housing insecurity (see Appendix Tables B5–B7).

Housing Cost Burden

For housing cost burden, the decomposition results indicate that the tenure gap between homeowners and private renters is large in both periods and remains mostly unexplained by observable characteristics. In 2005, only a small share of the difference between homeowners and private renters can be attributed to socio-demographic, housing, and neighbourhood characteristics. By 2024, the explained component becomes even smaller, indicating that compositional differences account for a very limited part of the gap.

This suggests that the affordability disadvantage associated with renting is not primarily driven by differences in income, demographics, or housing conditions. Instead, a large share of the gap remains unexplained by observable characteristics and may be associated with tenure or other unobserved factors.

This is also consistent with the regression results, which show a strong tenure gap in housing cost burden that persists after controlling for observable characteristics, even as the relative difference narrows over time. The findings therefore indicate that housing cost burden reflects the strongest tenure-linked component among the outcomes, with only a minimal role of compositional factors.

Housing Dissatisfaction

The tenure gap in housing dissatisfaction persists across both periods, but differs in its structure from the other outcomes. In both periods, a relatively large share of the gap is explained by differences in observable characteristics, with the explained component remaining stable at around 37% to 42%.

This indicates that housing dissatisfaction is more strongly linked to differences in housing conditions than in the other outcomes, with conditions such as overcrowding, renovation needs, and housing quality problems accounting for a substantial part of the explained component.

In contrast to housing insecurity and housing cost burden, where the unexplained component dominates, housing dissatisfaction shows a much larger compositional component. This highlights the importance of material housing conditions in shaping subjective housing satisfaction.

A residual component still remains, indicating that tenure may still be associated with housing dissatisfaction beyond observable differences in housing conditions.

Life Dissatisfaction

The decomposition results reveal a fundamental shift in the relationship between housing tenure and life dissatisfaction over time. In 2005, the gap is negative, indicating that private renters are less likely to report life dissatisfaction than homeowners in the raw comparison. By 2024, this pattern reverses, with private renters becoming more likely to experience life dissatisfaction.

In 2005, a large share of this difference is explained by observable characteristics, with the compositional component accounting for approximately 50% to 70% of the gap. This indicates that differences in age and socio-economic composition play a central role in shaping life satisfaction. Notably, the explained component increases when cohort controls are used instead of age controls (from 50% to 70%), indicating that generational composition accounts for a substantial share of the observed differences in life satisfaction.

By 2024, the structure of the gap changes strongly. The explained share declines to around one-third, while the majority of the difference remains unexplained. This indicates that tenure becomes more strongly associated with life dissatisfaction beyond observable socio-demographic and housing characteristics. This shift from a largely explained to a predominantly unexplained gap mirrors the emergence of tenure differences in life dissatisfaction seen in the regression analysis.

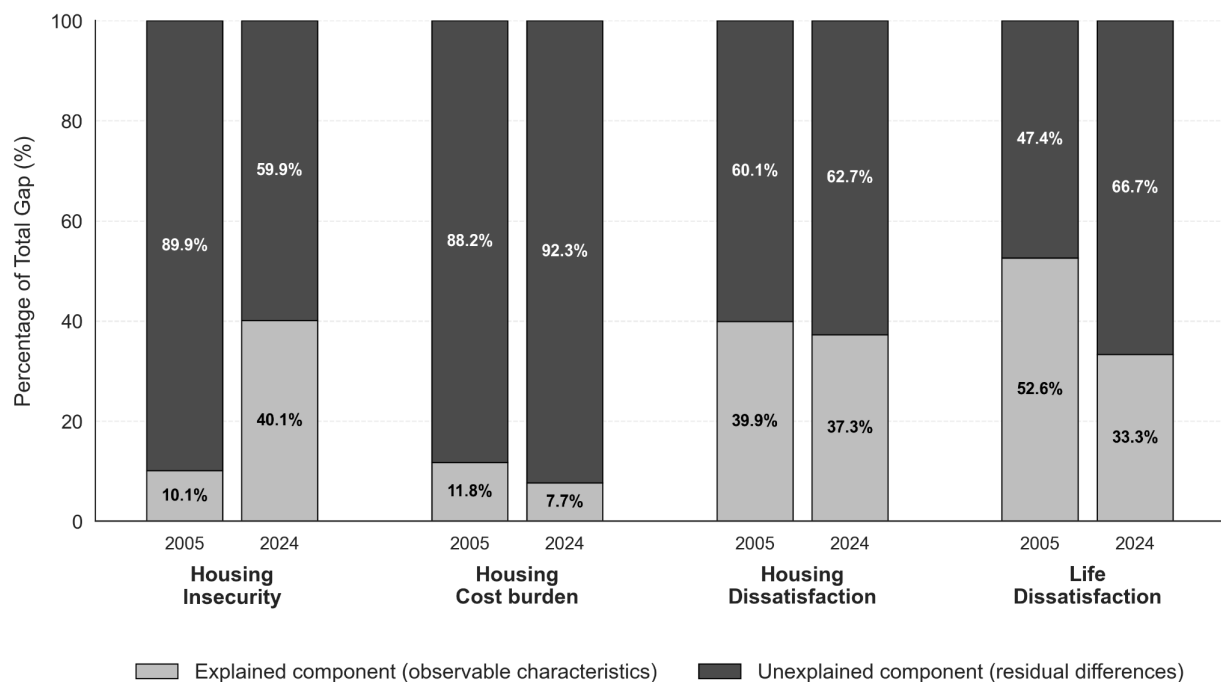
As in the regression results, these findings suggest that housing inequalities increasingly extend beyond housing-specific outcomes into broader dimensions of subjective wellbeing, with housing tenure emerging as a broader dimension of inequality that shapes not only housing conditions but also overall life satisfaction.

Synthesis of Decomposition Results

Taken together, the decomposition results reveal distinct mechanisms underlying tenure differences across outcomes (see Figure 5.12). **Housing insecurity** reflects a mixed pattern, with an increasing role of compositional factors alongside a substantial residual component. **Housing cost burden** remains largely unexplained, suggesting a strongly tenure-associated disadvantage that cannot be explained by observable characteristics. In contrast, **housing dissatisfaction** is primarily explained by differences in housing conditions, indicating that differences are largely due to observable characteristics. Similarly to the regression results, **life dissatisfaction** shows a clear shift over time, from a largely explained gap in 2005 to a predominantly unexplained gap in 2024.

Overall, these results indicate that tenure differences cannot be fully reduced to observable characteristics, but that the underlying sources of these differences vary across outcomes. **This further supports H4 which states that tenure differences persist after controlling for observable characteristics.** Housing tenure therefore emerges as an increasingly important factor of inequality, shaping both housing conditions and broader subjective wellbeing outcomes.

Figure 5.12: Decomposition of Tenure Gaps by Outcome (2005 and 2024)



5.7 Interpreting the Transformation of the Housing System

Tenure as a Structuring Hierarchy of Housing Inequality

Across analytical approaches, a clear tenure hierarchy emerges, with homeowners most advantaged, public renters intermediate, and private renters most vulnerable. Descriptive statistics, PCA projections, and clustering show that stable housing positions are overwhelmingly composed of homeowners (around 95%), while renters are concentrated in more vulnerable clusters. Regression results confirm significantly higher housing insecurity, cost burden, and dissatisfaction among renters (private and public), persisting even after controlling for socio-demographic and housing characteristics. Decomposition results further reveal substantial unexplained components, particularly for cost burden, indicating that tenure is not only a descriptive characteristic, but a structural position associated with systematic differences in housing outcomes.

These differences reflect the structural advantages of ownership in terms of residential stability, control over housing conditions, and protection from market-related uncertainty. Homeowners are not exposed to contract termination or short-term tenure arrangements and are less directly affected by housing cost fluctuations. This pattern is particularly visible in Slovenia, where the private rental market is characterised by widespread use of short-term contracts, most commonly 11 months, which creates unstable living conditions and limits long-term planning (Ministrstvo za solidarno prihodnost, 2025). Weak regulatory oversight further reduces tenants' bargaining power and limits incentives for landlords to invest in maintenance (Mandič, 2018). Even under comparable conditions, tenure therefore shapes exposure to risk, predictability, and control.

These mechanisms are embedded in the institutional structure of the Slovenian housing system, marked by ownership dominance and weak rental alternatives. Post-1991 privatisation created a durable insider–outsider divide (Stanovnik, 1994), while the development of a functional rental sector remained limited (Sendi, 2017). Housing systems rely on multiple access mechanisms, which in Slovenia began to break down after 2006–2007 without replacement. Self-construction declined substantially since the 90s, market provision became more expensive, and renting expanded as an increasingly unstable option. This is reflected in the small non-market rental sector (around 4% compared to 8% in the EU) and the lack of reliable data on the private rental market, indicating weak institutional regulation (Ministrstvo za solidarno prihodnost, 2025). Tenure differences thus reflect a system where ownership is structurally privileged and rental options remain weak.

Tenure differences are further reinforced by their social meaning and role within the welfare system. Homeownership is associated with security and full participation in socially accepted housing pathways, while renting remains stigmatised. The 2024 survey evidence shows that ownership is socially legitimised, while private renting is the least acceptable option and strongly associated with instability (Hafner Fink et al., 2025). At the same time, reliance on private property as a substitute for welfare leaves renters more dependent on public systems, while owners rely on their own assets (Mandič, 2018). Housing tenure in Slovenia therefore

operates not only as a housing status, but as a key institutional position that structures access to security, control, and long-term wellbeing.

Expansion of Housing Vulnerability Across the System

The results indicate that housing vulnerability in Slovenia is no longer confined to renters, but increasingly affects the housing system as a whole, including owners. Building on the previously identified tenure hierarchy, this points to an important shift in the nature of housing inequality. The vulnerable cluster more than doubles between 2005 and 2024, while housing insecurity increases across all tenure groups, most notably among private renters. At the same time, housing cost burden rises across all groups, particularly among homeowners. This is reflected in the growing vulnerability within ownership, which increases from 7% to 18%, alongside a growing presence of homeowners within the vulnerable cluster (from 53% to 73%). While the overall tenure hierarchy persists, these patterns show that ownership no longer universally protects against housing strain.

This shift is rooted in the structural transformation of the Slovenian homeownership model. Privatisation expanded ownership by transferring housing at heavily discounted prices (as low as 10 to 15 percent of actual market value), while simultaneously shifting responsibility for maintenance to households, creating a new class of owners who often lacked the necessary financial capacity to maintain their newly acquired housing (Stanovnik, 1994). While this model initially ensured broad access to ownership, its long-term sustainability has weakened. Ownership was historically supported by mechanisms such as self-construction, inheritance, and low-cost acquisition, but today increasingly relies on long-term credit and financial commitments. This transition towards debt-financed ownership is further reflected in declining affordability, as the price-to-income ratio (based on a 60 m² apartment) increased from 5.2 to 7.35 median annual salaries in the last 10 years (Ministrstvo za solidarno prihodnost, 2025). Ownership is therefore increasingly achieved under financially strained conditions and no longer guarantees long-term stability.

These vulnerabilities are intensified by broader systemic pressures in the housing market. Housing prices have increased by 109% since 2015, significantly outpacing income growth, as noted above. At the same time, housing supply has not kept pace with demand, as the number of households has grown faster than the housing stock, while construction levels remain low and volatile, contributing to sustained price pressures. Furthermore, the existing housing stock is ageing, with an average age of 54 years, creating substantial maintenance needs (Ministrstvo za solidarno prihodnost, 2025). This is directly reflected in household-level constraints, as the 2024 survey shows that around 80% of households require at least partial renovation, while 61% do not carry it out due to financial constraints (Hafner Fink et al., 2025). Housing pressure is therefore a consequence of both limited access to housing and increasing difficulty in sustaining adequate conditions within ownership.

These findings point to a broader transformation of housing inequality, where vulnerability increasingly reflects system-wide pressures, such as rising costs, limited supply, and the ageing housing stock, rather than being confined to tenure differences alone, although tenure still strongly shapes how these pressures are experienced and distributed across groups.

Generational Restructuring of Housing Inequality

While the previous section showed that housing vulnerability is expanding across the system as a whole, the results also reveal that this expansion is unevenly distributed across cohorts. The results indicate a generational restructuring of housing inequality. Vulnerability increases across all age groups when comparing 2005 and 2024, indicating a system-wide shift. However, when tracking cohorts over time, this increase is observed only within the youngest cohort, while older cohorts remain stable. This suggests that the expansion of vulnerability is not simply age-related, but reflects a generational shift. At the same time, when looking at the younger two cohorts, vulnerability persists even among middle- and high-income young individuals, indicating that income no longer provides the same protective effect. The vulnerable cluster also becomes older over time, suggesting that vulnerability is no longer only a transitional life-stage phenomenon. Housing inequality is therefore increasingly structured along generational lines.

This reflects a breakdown of traditional pathways into housing stability. The expected trajectory from labour market entry to homeownership and secure housing is becoming increasingly difficult to achieve. Earlier cohorts benefited from mechanisms such as privatisation, self-construction, and relatively affordable access to housing, while younger generations must rely primarily on market-based entry. Evidence from the 2024 Survey shows strong age differences, with homeownership significantly lower among younger cohorts (68%) than among older ones (91%), while renting is more prevalent among younger adults (Hafner Fink et al., 2025). At the same time, affordability has deteriorated substantially, with the price-to-income ratio (based on a 60 m² apartment) increasing from 5.2 to 7.35 median annual salaries (Ministrstvo za solidarno prihodnost, 2025). Access to housing stability has therefore shifted from institutionally supported pathways to increasingly constrained market-based entry.

A key mechanism in this shift is the growing importance of intergenerational resources. Research shows that housing independence in Slovenia is strongly tied to family support, with prolonged co-residence above the EU average (average age of leaving the parental home is 29.4 in Slovenia compared to 26.4 in the EU) (Eurostat, 2025) and access to independent housing often dependent on inheritance or parental assistance (Klanjšek, 2022). Around half of young homeowners acquire housing through inheritance, while many young adults live in dwellings owned by their parents (Kuhar, 2013). This helps explain why vulnerability persists even among higher-income groups since access to housing stability increasingly depends on family assets rather than income alone.

These patterns point to deeper structural constraints within the housing system. As Cirman (2006) argues, the ownership-based model has become increasingly difficult to reproduce, while renting does not provide a stable alternative. In this context, families function as key welfare providers, compensating for gaps in state and market provision (Allen, 2006). At the same time, expectations have shifted, with the likelihood of becoming a homeowner declining from 85% in 2005 to 58% in 2024, while expectations of renting have increased from 10% to 30% (Hafner Fink et al., 2025). Renting thus becomes less a transitional phase

and more a persistent condition, particularly for younger cohorts. Housing inequality in Slovenia therefore increasingly reflects a structural generational divide, where access to stability depends less on income and more on family resources and housing system constraints.

Increasing Centrality of Housing for Overall Wellbeing

Building on the previous findings, housing inequality increasingly extends beyond housing-specific outcomes into broader subjective wellbeing. A key shift is the growing centrality of housing conditions. In the PCA, housing variables move from a secondary dimension in 2005 to the primary axis of differentiation in 2024, along which individuals differ, closely aligned with life satisfaction. This increasing centrality of housing outcomes also reflects the broader expansion of housing vulnerability across the system, suggesting that as housing pressures become more widespread rather than confined to specific groups, they become more consequential for overall wellbeing.

Consistent with this, regression results show that a tenure gap in life satisfaction emerges only in 2024, while decomposition results indicate a shift from largely explained differences in 2005 to predominantly unexplained differences in 2024. Together, these findings suggest that housing conditions are becoming more central in shaping overall life evaluations. This reflects the growing importance of housing in shaping individuals' sense of stability and their ability to plan for the future.

This shift can be understood through the role of housing in shaping control over one's living situation and longer-term security, often referred to as ontological security (Saunders, 1990), and in Slovenia these effects are further amplified by the especially strong social meaning of tenure. Homeownership is widely understood as the normal and secure housing solution, while renting is seen as temporary and socially less acceptable (Mandič, 2018). This is reinforced by the fact that market renters occupy a structurally weaker position, since the rental market is weakly regulated and characterised by rent volatility, payment pressure, and a high risk of contract termination (Ministrstvo za solidarno prihodnost, 2025). Housing conditions have thus become more central to how individuals perceive their social and economic position, and tenure increasingly shapes not only housing security and financial strain, but also overall life satisfaction.

A key mechanism behind the spillover into life satisfaction lies in the transformation of renting from a temporary life stage into a more permanent and insecure housing position. Renters exhibit substantially lower residential stability, with only 5.6% reporting no intention to move compared to 87.9% among owners (Hafner Fink et al., 2025). This is reinforced by structural features of the rental market, where short-term contracts (most commonly for 11 months) and their repeated renewal limit long-term planning and create persistent uncertainty (Ministrstvo za solidarno prihodnost, 2025).

At the same time, housing expectations have shifted significantly. The likelihood of becoming a homeowner after moving has declined from 85% in 2005 to 58% in 2024, while expectations of renting have increased from 10% to 30% (Hafner Fink et al., 2025). Renting

is therefore no longer widely perceived as transitional, but increasingly as a long-term outcome.

This transformation helps explain why the life satisfaction gap emerges only in 2024. Housing inequalities already existed in 2005, but in a context where stable housing outcomes, particularly homeownership, were still widely perceived as attainable, and housing conditions played a less central role in structuring overall life differences. By 2024, however, constrained access to ownership and persistent rental insecurity increasingly limit individuals' ability to secure stable housing and long-term life stability. Housing thus shifts from one of several life domains to a more central factor in how individuals evaluate their life circumstances, making it a central mechanism structuring social inequality.

These dynamics are reinforced by the social meaning of tenure. Renting remains the least socially acceptable housing option (2.46 out of 5 compared to 4.28 out of 5 for ownership), reinforcing a gap between desired and attainable outcomes (Hafner Fink et al., 2025). As ownership remains normatively superior but becomes less attainable, this mismatch increasingly translates into broader life dissatisfaction.

Finally, these effects are reinforced by the broader role of housing within the welfare system. As public systems are now perceived as less reliable, homeownership increasingly functions as a form of private welfare, providing long-term security and reducing dependence on external support, while renters remain more exposed to ongoing costs and institutional uncertainty (Mandič, 2018). Differences in tenure therefore increasingly translate into differences in perceived life security and future prospects, shaping overall life satisfaction.

These interpretations draw on and are consistent with insights from consultations with housing researchers and policymakers in Slovenia (see Appendix C).

6. Conclusion & Policy Recommendations

6.1 Key Findings

This thesis examined to what extent housing tenure (homeownership, public renting, and private renting) is associated with differences in subjective wellbeing in Slovenia. It compares outcomes over time (2005–2024) across key dimensions, including housing insecurity, housing cost burden, satisfaction with housing conditions, and overall life satisfaction. The results show a system under growing pressure. Inequality between tenure groups persists and now extends into life satisfaction. At the same time, vulnerability is increasing across the population, access to stable housing is becoming harder, especially for younger generations, and housing outcomes have become the primary dimension along which individuals differ in 2024. The main findings can be summarised as follows:

1. Tenure shapes housing inequality

A clear hierarchy exists: homeowners are the most advantaged, public renters occupy intermediate positions, and private renters are the most vulnerable across all observed

outcomes. These differences persist even when individuals are made as comparable as possible in terms of income, socio-demographic characteristics, and housing conditions. Stable housing positions are overwhelmingly composed of homeowners (over 95%). This shows that tenure systematically shapes levels of security, cost burden, and, by 2024, also life satisfaction.

2. Housing vulnerability is spreading

Vulnerability is no longer limited to renters but increasingly affects owners as well. The share of vulnerable owners more than doubles (from 7% to 18%), while the overall vulnerable population expands. This is associated with rising housing costs, an ageing housing stock, growing maintenance and renovation burdens, and increasing reliance on credit as house prices outpace income growth, all of which contribute to ownership no longer guaranteeing stability. Housing vulnerability now increasingly reflects broader system pressures, not only differences between tenure groups, although tenure continues to shape how these pressures translate into outcomes.

3. The youngest generation is losing access to stability

While vulnerability has increased across all age groups, it is most concentrated and has grown the most within the youngest cohort. Importantly, this group extends beyond ‘young people’ as typically defined in policy and includes a broader generation that has not converged into stable housing outcomes over time. Income alone no longer secures stability, as access increasingly depends on family support, while traditional pathways such as privatisation and self-construction have largely disappeared.

4. Housing now affects life satisfaction

A clear gap in life satisfaction between owners and renters emerges in 2024. Housing no longer shapes only living conditions, but also how individuals evaluate their overall lives, and becomes the primary axis of differentiation in the observed data. This is linked to insecurity in renting, a limited ability to plan long-term, and a growing mismatch between desired and achievable housing outcomes. Housing thus emerges as a central life constraint, with differences in housing tenure now translating directly into differences in overall wellbeing.

6.2 Policy Recommendations: Towards a More Balanced Housing System

The findings show a clear picture: the housing system was beginning to fray back in the 2000s, with renters already occupying a more vulnerable position, whereas by 2024 the situation has significantly worsened. Housing outcomes have become the main dimension along which individuals differ, vulnerability has spread to previously stable positions, and certain groups, such as renters and the youngest generation, appear increasingly locked out of accessing stable housing, which in 2024 also has a strong effect on overall wellbeing and life satisfaction. Policy responses are therefore needed to address immediate instability, but also deeper structural imbalances, which can only be tackled in the long run. The following policy

recommendations are structured across different time horizons in order to address both short-term pressures and long-term systemic challenges.

1. Short-Term Stabilisation of the Rental Market

The findings show that renting in Slovenia does not function as a stable or equal alternative to ownership, as renters are disadvantaged across all observed outcomes even when individuals are made comparable in terms of income, socio-demographic characteristics, and housing conditions. They face higher insecurity, stronger cost pressure, lower housing satisfaction, and by 2024 also lower life satisfaction. Private renters are the most exposed, while public renters are somewhat less disadvantaged but still remain in a weaker position than owners. This reflects a structural disadvantage shaped by short-term contracts, limited legal protection, and rising costs (Ministrstvo za solidarno prihodnost, 2025). Two otherwise similar individuals should not experience systematically different levels of instability and dissatisfaction simply because one rents. Renting must therefore be treated as a central policy issue rather than just a residual sector.

The first priority is to stabilise rental relations by making them longer, clearer, and more predictable. The current dominance of 11-month contracts should be replaced by longer-term agreements, ideally multi-year, with five-year contracts as a benchmark. Mandatory registration and standardised contracts would further improve transparency and legal clarity. This should be supported by accessible legal advisory services and faster dispute resolution mechanisms. These measures reduce forced mobility, improve planning security, and directly address the insecurity and dissatisfaction identified in the findings.

Since the findings show that besides greater insecurity, renters also face substantially higher housing cost burden, stabilisation of the private renting experience must also address growing market pressures. The rental sector is increasingly shaped by rising prices and investment-driven dynamics rather than housing need. Policy should regulate rent growth in high-demand areas and strengthen enforcement against excessive rents. Non-residential uses of housing, especially tourist rentals, should be more strictly limited. This is particularly relevant given that tourist accommodation on platforms such as Airbnb and Vrbo has increased almost five-fold since 2015, further reducing the availability of housing for long-term use (Ministrstvo za solidarno prihodnost, 2025). Measures to reduce speculative investment incentives and activate vacant dwellings are therefore necessary. Without such interventions, renting remains driven by profit rather than stable housing provision.

Reform should also not rely only on restrictions, but on a more balanced approach that reduces the risks associated with long-term renting for landlords while improving security for tenants. This includes tax incentives for longer contracts, disincentives for vacancy and short-term use, and state-backed guarantees in cases of rent default. Public intermediary rental services, where a public or non-profit actor acts as a mediator between landlords and tenants by guaranteeing rent payments and ensuring contract compliance can further improve trust and reduce uncertainty. Together, these measures rebalance incentives by making long-term renting more secure and attractive for landlords, rather than relying only on penalties.

Finally, reform requires better monitoring and enforcement. A mandatory rental register, systematic data collection, and stronger enforcement capacity are essential. As the housing programme highlights, the lack of reliable data remains a major constraint on creating effective policy (Ministrstvo za solidarno prihodnost, 2025).

Stabilising the rental sector is therefore not only a housing priority, but a precondition for reducing inequality. As access to ownership becomes less achievable, renting must become a stable and legitimate alternative rather than a structurally inferior option.

2. Long-Term Structural Rebalancing: Expanding Public Rental

Stabilising the private rental sector is necessary, but it does not resolve the deeper structural imbalance of the Slovenian housing system. As ownership becomes less achievable, the state must not only make renting more secure in the short term, but also build a system in which renting can function as a stable and legitimate long-term option. Slovenia continues to rely heavily on ownership, while the non-market rental sector remains too small. The findings show that the tenure hierarchy persists, as by 2024, both private and public renters are worse off than owners across all outcomes, even when individuals are comparable. For public renters, this disadvantage in housing and life satisfaction emerged only in 2024, while the youngest generation is increasingly locked out of stable housing. Expanding public rental is therefore important for reducing tenure inequality, as well as addressing the growing generational divide in access to housing stability. The dual challenge is therefore in regulating the existing rental market and expanding the part of the system that can provide stable housing outside ownership at the same time.

Public rental housing must take on a central role in this rebalancing. It is the only tenure form that can combine longer-term contracts, predictable rents, and lower exposure to speculative pressure. It should not be treated as residual social housing, but as a main component of a balanced housing system since it reduces pressure on both ownership and private renting by expanding the supply of stable, non-market housing options.

A substantial expansion of public rental housing is therefore required. At present, the sector is far too small to fulfil this role. The non-market stock comprises around 36,390 units, of which approximately 30,650 are public rental, representing less than 4 percent of the housing stock, compared to around 8 percent in the EU (Ministrstvo za solidarno prihodnost, 2025). At the same time, housing demand has been growing faster than supply, while overall construction remains low and poorly aligned with need, often producing larger and more expensive units despite rising demand for smaller dwellings (Sabmt et al., 2025). Without expansion, the system can therefore not absorb demand or provide a credible alternative to ownership.

Expansion must also be accompanied by more responsive access rules. The findings show that the youngest generation is losing access to stability, while policy typically targets “young people” as a narrower administrative category. This distinction matters, as the most affected group extends beyond early adulthood and has not followed into stable housing outcomes over time. Public rental is one of the few instruments that can address this gap, yet the current

system has not served younger cohorts well. Allocation mechanisms have historically favoured older households through points-based systems that prioritise accumulated disadvantage, who are now overrepresented within the sector (Hafner Fink et al., 2025). Recent reforms allowing more targeted allocation, including for young households and first-time entrants, are therefore an important step, but must be implemented in a way that broadens access without undermining the sector's social function.

Expanding public rental housing requires a stable institutional and financial framework that enables long-term planning and implementation. The National Housing Programme introduces a ten-year financing model combining investment through the Housing Fund of the Republic of Slovenia and subsidised loans via SID Bank, Slovenia's state development and export bank, which provides long-term, lower-cost financing and enables municipalities to participate in projects that would otherwise be financially unfeasible (Ministrstvo za solidarno prihodnost, 2025). This combination is important because it links public investment capacity with accessible financing, allowing projects to scale beyond what municipalities could fund alone. However, financing alone is not sufficient. Land policy remains fragmented, with no coordinated system for identifying and preparing land in high-demand areas, which limits the ability for construction where it is most needed. Municipal capacity is also uneven, meaning that smaller or less resourced municipalities often lack the expertise and coordination mechanisms required to plan and implement housing projects.

Without addressing these structural constraints alongside expansion, the Slovenian housing system will remain imbalanced, with increasing pressure on both ownership and private renting, and no stable housing solution for a growing share of the population.

3. Addressing Owner Vulnerability & Housing Stock

Beyond rental instability, pressures are increasingly emerging within ownership. Even though ownership remains the main source of housing stability, the findings show that vulnerability is expanding within ownership itself, driven in part by growing maintenance and renovation burdens faced by existing owners. Housing policy must therefore move beyond promoting access to ownership towards ensuring that existing housing remains functional over time. This implies a shift towards a shared responsibility model, in which private ownership is supported by public frameworks that enable long-term maintenance and adaptation, as functional and well-maintained housing stock represents not only a private asset, but a broader societal interest.

Policy must prioritise large-scale renovation and adaptation of the existing housing stock. The average dwelling is 54 years old, with widespread functional inadequacies such as poor accessibility and the absence of elevators (Ministrstvo za solidarno prihodnost, 2025). The 2024 survey highlights the scale of the issue, with over 80% of households reporting a need for at least partial renovation, while 61% cite financial constraints as the main barrier (Hafner Fink et al., 2025). This reflects long-term underinvestment, reinforced by fragmented ownership structures that make coordination in multi-apartment buildings difficult. Without targeted financial support and institutional coordination, necessary renovation will not occur at the required scale, leading to a gradual decline in housing quality and usability.

Policy responses should therefore focus on three concrete areas: financial support, conditional incentives, and coordination support. Financial support should expand beyond energy efficiency programmes to include functional upgrades such as accessibility improvements, installation of elevators, and adaptation for ageing populations. This support should combine grants for low-income or older households with subsidised loans for others, in order to ensure both accessibility and scale.

Public support should also be conditional and structured to avoid unearned private gains, for example through repayment obligations upon sale of dwelling or partial value capture mechanisms. This ensures that public investment results in long-term system improvements rather than short-term private benefit.

Governance barriers must also be addressed. Decision-making in multi-apartment buildings should be simplified by lowering consent thresholds required for major renovation works, which currently prevent investment. Reserve fund requirements, meaning mandatory financial reserves collected from owners for building maintenance should be increased and allow funds to be used more flexibly for long-term upgrades rather than only basic maintenance. Lastly, building management should be more professionalised through certification requirements, technical support services, and clearer responsibilities for coordinating renovation projects across owners.

Without these measures, the existing housing stock will become increasingly difficult to maintain, and ownership will no longer function as a stable tenure even for those who have already accessed it. Housing policy must therefore ensure that housing remains functional and usable over time, rather than assuming that ownership alone guarantees stability.

4. Improving Affordability & Access

Addressing vulnerability within ownership is not sufficient if access to ownership continues to deteriorate. Housing policy must therefore not only stabilise renting and expand public provision, but also ensure that individuals can realistically access ownership if this is the tenure that best fits their needs and life stage. Households should be able to choose tenure based on their resources and circumstances, rather than being forced into a particular tenure due to a lack of alternatives, which is now often the case (Hafner Fink et al., 2025). However, the survey findings show a growing mismatch between desired and attainable tenure. Ownership remains associated with stability, yet access is increasingly restricted, and the thesis results show that the youngest generation does not converge into more secure housing positions over time.

This deterioration in access is primarily driven by structural constraints. Housing prices have increased by 109 percent since 2015, while the cost of a standard 60 m² dwelling has risen from 5.2 to 7.35 median annual salaries (Ministrstvo za solidarno prihodnost, 2025). At the same time, supply has not kept pace with demand, with households growing faster than the housing stock and construction remaining low. These pressures are particularly pronounced in urban and tourist areas, meaning that access to ownership is increasingly shaped by system-level constraints rather than individual resources.

Policy responses must therefore focus on directly improving access conditions by addressing the structural constraints that limit entry into ownership. The first solution would be to increase effective supply. This requires accelerating the construction of smaller and more affordable units through stronger coordination between housing, spatial planning, and land policy, including the active use of public land and planning obligations in high-demand areas. At the same time, underused stock should be activated, particularly vacant dwellings of which around 165,000 are recorded, with a substantial share potentially usable, by introducing stronger incentives for use and clearer obligations for reporting occupancy (Ministrstvo za solidarno prihodnost, 2025).

Supply-side measures must be complemented by reducing demand pressures that limit access. This includes addressing investor-driven purchases in high-pressure areas, restricting tourist use where it reduces residential availability, and aligning taxation to discourage vacancy tied to tourism and short-term conversion of housing. These measures are necessary because, without them, newly created supply risks being used for profit rather than for meeting the housing needs of residents.

Targeted support for first-time buyers can play a complementary role, but must remain targeted and carefully designed to avoid further price inflation. Support should focus on households without property, particularly within the youngest generation whose access to ownership is increasingly constrained despite income. Instruments such as targeted tax relief or preferential financing should be tied to first-home use and occupancy, rather than ownership as an asset, in order to ensure that support improves access rather than fuels demand, as untargeted support can increase purchasing power without increasing supply, which puts additional upward pressure on prices.

Improving affordability is therefore not about restoring historically high levels of ownership, but about ensuring that access remains realistically attainable under sustainable financial conditions for households at different life stages.

5. Data, Monitoring & Governance

The weakness of the Slovenian housing system is not only visible in outcomes, but also in how poorly it is monitored. The absence of continuous, high-quality data is not only a technical limitation. It reflects a deeper issue: housing has not been treated as a policy priority. As a result, the state has not invested in systems capable of tracking developments in the sector. Existing data remains fragmented and incomplete, with limited coordination across institutions (Ministrstvo za solidarno prihodnost, 2025). Key datasets exist, but are not systematically linked: the Statistical Office (SURS) provides demographic and survey data, the Surveying and Mapping Authority (GURS) maintains property and transaction records, and the Financial Administration (FURS) holds tax data but these sources are not integrated for policy use. At the same time, the national housing survey has been conducted only twice since Slovenia's independence, with a nearly 20-year gap (Hafner Fink et al., 2025). The system is therefore not only under-regulated, but under-monitored.

This lack of data has direct consequences for policy. Without consistent monitoring, trends cannot be tracked, causes of change cannot be identified, and policy cannot be evaluated or efficiently developed. This helps explain why differences in housing outcomes between groups have not been effectively addressed over time, and why housing has increasingly shaped broader life conditions, including life satisfaction. More frequent data collection and deeper analysis of housing transitions and affordability are therefore crucial, as without such insight, vulnerability can expand without timely or effective policy response.

Several key gaps remain: there is no comprehensive rental register, limiting understanding of rents, contracts, and tenant structure. Monitoring of vacant dwellings and non-residential use is weak, and linked administrative datasets, meaning coordinated use of data across institutions such as SURS, GURS, and FURS, are largely absent. As a result, it is difficult to determine who accesses housing and why others remain excluded. Without a clear and integrated data system, the state cannot reliably identify problems or assess whether interventions are effective. More integrated housing monitoring systems already exist in several European countries, such as neighboring Austria, where regular data collection, linked administrative records, and rental market monitoring are part of established institutional processes, demonstrating that such systems are feasible and can support more effective housing policy (Mundt, 2018).

Policy must therefore shift towards data-driven governance. A unified housing data system should connect existing datasets through standardised dwelling-level identifiers, such as using standardised dwelling-level identifiers (e.g. cadastral property IDs) which allow different datasets to be linked at the level of individual dwellings, enabling tracking of ownership, use, and transactions over time. The National Housing Programme also proposes establishing a Centre for Housing Policy as a permanent institution to coordinate research (Ministrstvo za solidarno prihodnost, 2025), and this should be implemented as a long-term institutional structure rather than remaining at the proposal stage. Such an institution is essential to ensure continuity of knowledge and policy capacity beyond political cycles. Regular housing surveys and annual reporting should complement this, including not only market indicators, but also measures of subjective wellbeing, as the findings show that housing conditions are increasingly linked to life satisfaction, perceived security, and overall stability.

The lack of data is not accidental. It reflects a period in which housing was not treated as a core policy domain. Strengthening data systems is therefore not just a technical addition, but a prerequisite for restoring the state's capacity to act and for limiting the growing impact of housing conditions on overall wellbeing.

These policy recommendations are also informed by and consistent with insights from consultations with housing researchers and policymakers in Slovenia (see Appendix C).

6.3 Limitations & Future Research

As highlighted in the 2024 survey and supported by the findings of this thesis, the comparison between 2005 and 2024 reveals clear structural shifts in the housing system, with housing outcomes emerging as a primary source of variation between individuals. This makes the second ever national survey highly valuable, but at the same time highlights a key limitation: such data has been collected too infrequently. The almost 20-year gap between surveys limits the ability to understand the exact dynamics through which these changes emerged (Hafner Fink et al., 2025).

Since the data used for this analysis is based on two cross-sectional samples of different individuals, it remains nationally representative, but introduces important interpretative constraints. Because it is not longitudinal, it does not allow for tracking the same individuals over time. As a result, it is not possible to directly observe tenure transitions, or to establish how moving between tenure statuses, or failing to achieve a desired tenure, affects individuals across the life course. This is particularly limiting for analysing generational differences, where the data suggests increasing vulnerability among the youngest generation, but does not allow us to distinguish whether this reflects delayed transitions into ownership or prolonged exposure to insecure rental conditions.

This also limits causal interpretation, particularly in understanding how the observed spread of vulnerability across the population and its extension into life satisfaction has developed over time. And while the analysis identifies strong associations between tenure, housing outcomes, and life satisfaction, it cannot definitively establish how these relationships develop over time or through specific transitions.

Aside from frequent and detailed data collection, future research and policymaking should also include more international comparisons, to understand Slovenian developments within broader housing system change and to draw inspiration from best practices in data production, monitoring, rental regulation, construction policy, and public housing provision.

Taken together, these limitations are not only methodological, but systemic. They reflect the broader lack of continuous, integrated data in the Slovenian housing system, which constrains both research and policy. Future research should therefore prioritise longitudinal data collection, more frequent survey waves, and deeper analysis of tenure transitions, particularly within the rental sector, to better understand how housing trajectories shape vulnerability and wellbeing over time.

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Appendix

Appendix A: Additional Methodological Details

A1. Missing Data and Sample Retention Strategy

Invalid and non-response values were coded as missing. Missing data was handled based on the extent of non-response. Variables with substantial non-response were retained by introducing a separate “missing” category, while variables with low levels of missingness were handled through listwise deletion.

Missing categories were introduced for income in both waves and for partnership status in 2005, where non-response was higher. All other demographic and housing variables were subject to listwise deletion due to negligible missingness. As a result, the analytical sample is reduced from 4,009 to 3,655 observations in 2005 (8.8%) and from 2,114 to 1,732 observations in 2024 (18.1%). This approach balances sample retention while limiting potential bias associated with systematic non-response.

A2. Illustrative Examples of Harmonisation

The harmonisation approach can be illustrated through several key variables. Housing insecurity is measured using different scales across waves, ranging from 1–5 in 2005 to 0–10 in 2024. The underlying concept is the perceived risk or concern about housing stability. Responses were therefore interpreted based on whether respondents expressed any degree of concern. Individuals reporting any level of worry were classified as experiencing insecurity for comparability across waves, focusing on the presence rather than the intensity of concern.

Housing quality indicators also differ in format across waves. In 2005, they are measured using severity-based scales, while in 2024 they are recorded as binary indicators. To ensure comparability, the 2005 responses were recoded into binary indicators of housing problems, and combined with the 2024 indicators into a summary index capturing the number of reported issues. While the specific items differ slightly, they reflect similar aspects of housing conditions, such as problems with the dwelling and basic facilities. The index therefore captures overall housing quality rather than exact equivalence of individual items.

Income is measured as ordinal brackets in 2005 and continuous values in 2024. It was therefore grouped into relative income categories using weighted terciles calculated separately within each wave. Income therefore reflects relative socio-economic position within each survey wave.

Housing cost burden is measured on an identical 1–5 scale in both waves, allowing for direct comparison, with higher categories consistently indicating greater financial strain.

Appendix B: Additional Tables

Table B1: Mean Housing and Wellbeing Outcomes by Tenure (2005 and 2024)

		2005 (Mean)	2024 (Mean)	20-Year Shift
Outcome	Tenure			
Housing Security	Owner	9.67	7.57	-2.10
	Private renter	6.31	3.15	-3.17
	Public renter	7.20	4.88	-2.32
Housing Cost Burden	Owner	1.27	3.24	1.98
	Private renter	3.11	4.14	1.03
	Public renter	3.24	3.93	0.69
Housing Satisfaction	Owner	7.40	8.01	0.61
	Private renter	4.73	4.96	0.23
	Public renter	6.05	6.13	0.08
Life Satisfaction	Owner	6.81	7.55	0.75
	Private renter	7.46	6.78	-0.67
	Public renter	6.59	6.66	0.07

Note: Values represent weighted means. These are descriptive statistics and do not control for socio-demographic or housing characteristics.

Table B2: Cluster Profiles (2005)

	Age (mean)	Household size (mean)	Income (mean)	Housing cost burden (mean)	Housing satisfaction (mean)	Housing security (mean)	Life satisfaction (mean)	Weighted N
Cluster								
Vulnerable	40.67	2.95	3.81	3.32	2.90	3.35	3.47	480.89
Older stable	60.04	1.98	2.94	1.16	3.96	4.95	3.49	1619.65
Affluent secure	39.58	3.85	6.12	1.18	4.06	4.96	4.08	1470.32

Note: Means and counts are calculated using survey weights to ensure representativeness.

Table B3: Cluster Profiles (2024)

	Age (mean)	Household size (mean)	Monthly income (mean €)	Housing cost burden (mean)	Housing satisfaction (mean)	Housing security (mean)	Life satisfaction (mean)	Weight ed N
Cluster								
Vulnerable	44.74	2.99	2015.66	3.98	5.11	3.79	5.54	267.89
Older stable	65.90	1.99	1938.37	3.16	8.88	8.37	8.02	468.43
Affluent secure	43.96	4.02	3901.60	2.91	8.54	8.59	8.36	472.26

Note: Means and counts are calculated using survey weights to ensure representativeness.

Table B4: Tenure Composition of Housing Clusters (2005 and 2024)

Cluster	Year	% Owners	% Private Renters	% Public Renters
Vulnerable	2005	53.1	18.9	28.0
	2024	72.9	13.7	13.3
Older stable	2005	96.7	0.9	2.4
	2024	96.4	0.4	3.2
Affluent secure	2005	95.9	1.9	2.2
	2024	95.9	1.3	2.8

Table B5: Regression Results (Average Marginal Effects) (2005)

Variable	Baseline AME	Full AME	SE (Full)	p-value (Full)
Panel A: Housing insecurity				
Private renter	0.218***	0.167***	(0.019)	0.000
Public renter	0.168***	0.126***	(0.016)	0.000
Controls	No	Yes	—	—
Panel B: Housing cost burden				
Private renter	0.138***	0.092***	(0.016)	0.000

Public renter	0.169***	0.112***	(0.011)	0.000
Controls	No	Yes	—	—
Panel C: Housing dissatisfaction				
Private renter	0.382***	0.223***	(0.053)	0.000
Public renter	0.189***	0.045	(0.043)	0.297
Controls	No	Yes	—	—
Panel D: Life dissatisfaction				
Private renter	-0.229***	-0.108	(0.067)	0.108
Public renter	0.042	-0.001	(0.047)	0.976
Controls	No	Yes	—	—

Note: Average marginal effects (AMEs) reported. Standard errors in parentheses. Reference category: homeowners. ‘Full’ refers to fully adjusted models including socio-demographic, housing, and neighbourhood controls. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table B6: Regression Results (Average Marginal Effects) (2024)

Variable	Baseline AME	Full AME	SE (Full)	p-value (Full)
Panel A: Housing insecurity				
Private renter	0.664***	0.462***	(0.120)	0.000
Public renter	0.402***	0.330***	(0.074)	0.000
Controls	No	Yes	—	—
Panel B: Housing cost burden				
Private renter	0.420***	0.375***	(0.071)	0.000
Public renter	0.251***	0.180***	(0.056)	0.001
Controls	No	Yes	—	—
Panel C: Housing dissatisfaction				
Private renter	0.269***	0.145***	(0.038)	0.000
Public renter	0.160***	0.096***	(0.034)	0.004
Controls	No	Yes	—	—
Panel D: Life dissatisfaction				

Private renter	0.109***	0.082**	(0.040)	0.044
Public renter	0.128***	0.092***	(0.036)	0.010
Controls	No	Yes	—	—

Note: Average marginal effects (AMEs) reported. Standard errors in parentheses. Reference category: homeowners. ‘Full’ refers to fully adjusted models including socio-demographic, housing, and neighbourhood controls. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table B7: Pooled Regression Results (Average Marginal Effects) (2005–2024)

Variable	AME	SE	p-value
Panel A: Housing insecurity			
Private renter	0.334***	(0.034)	0.000
Public renter	0.237***	(0.029)	0.000
Year (2024)	0.322***	(0.015)	0.000
Private renter $\times$ 2024	-0.046	(0.093)	0.621
Public renter $\times$ 2024	-0.111**	(0.051)	0.031
Panel B: Housing cost burden			
Private renter	0.262***	(0.033)	0.000
Public renter	0.274***	(0.026)	0.000
Year (2024)	0.318***	(0.014)	0.000
Private renter $\times$ 2024	-0.102*	(0.059)	0.081
Public renter $\times$ 2024	-0.191***	(0.044)	0.000
Panel C: Housing dissatisfaction			
Private renter	0.231***	(0.048)	0.000
Public renter	0.050	(0.039)	0.203
Year (2024)	-0.169***	(0.022)	0.000
Private renter $\times$ 2024	0.034	(0.078)	0.660
Public renter $\times$ 2024	0.147**	(0.068)	0.032
Panel D: Life dissatisfaction			
Private renter	-0.077	(0.060)	0.200
Public renter	0.026	(0.040)	0.516
Year (2024)	-0.200***	(0.023)	0.000

Private renter × 2024	0.245***	(0.093)	0.009
Public renter × 2024	0.115	(0.070)	0.100

Note: Average marginal effects (AMEs) reported. Standard errors in parentheses. Reference category: homeowners. Interaction terms capture changes in tenure effects between 2005 and 2024. All models include socio-demographic (including age), housing, and neighbourhood controls. Results remain substantively unchanged when cohort controls are used instead of age controls. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table B8: Oaxaca-Blinder Decomposition of Tenure Gaps (2005 and 2024)

Outcome	Year	Total Gap (pp)	Explained (pp)	Unexplained (pp)	Explained Share (%)
Housing insecurity	2005	54.4	5.5	49.0	10.1%
Housing insecurity	2024	46.2	18.5	27.7	40.1%
Housing cost burden	2005	34.0	4.0	30.0	11.8%
Housing cost burden	2024	38.3	2.9	35.4	7.7%
Housing dissatisfaction	2005	41.5	16.5	24.9	39.9%
Housing dissatisfaction	2024	37.8	14.1	23.7	37.3%
Life dissatisfaction	2005	-18.1	-9.5	-8.6	52.6%*
Life dissatisfaction	2024	13.2	4.4	8.8	33.3%

Note: Results from Oaxaca-Blinder decompositions. Values are expressed in percentage points (pp). The ‘explained’ portion represents the share of the gap attributable to differences in socio-demographic, housing, and neighbourhood characteristics between private renters and homeowners. The ‘unexplained’ portion represents the residual tenure penalty. Models include age controls.

* Using cohort controls instead of age controls increases the explained share for life dissatisfaction in 2005 to 69.3%.

Appendix C: Expert Consultations

This research was informed by consultations with leading housing researchers, policymakers, and practitioners in Slovenia, as documented in the table below. These discussions contributed to the development of the research focus and design, and provided contextual insights into institutional developments, housing market dynamics, and policy challenges. They also supported the interpretation of empirical findings and the formulation of policy recommendations.

Name	Institution	Role	Key Insight
Andreja Cirman	University of Ljubljana, School of Economics and Business	Full Professor	Highlighted that homeownership is often financially more costly than renting, yet remains preferred due to its broader welfare and security function; emphasised ownership as a strategic goal activated when financial conditions allow.
Srna Mandič	University of Ljubljana, Centre for Welfare Studies	Senior Researcher	Emphasised that housing preferences reflect a combination of structural conditions, past experiences, and cultural norms; highlighted variation in the meaning of ownership across life stages.
Boštjan Kerbler	Urban Planning Institute of Slovenia	Scientific Counsellor	Provided insights on changing expectations regarding tenure transitions, showing declining expectations of ownership and increasing normalisation of renting as a long-term outcome.
Matjaž Uršič	University of Ljubljana, Faculty of Social Sciences	Associate Professor	Highlighted the role of life-cycle dynamics, low institutional trust, and the importance of housing as a source of stability in conditions of broader structural uncertainty.
Maša Filipovič Hrast	University of Ljubljana, Faculty of Social Sciences	Associate Professor	Provided insights into key structural shifts in the housing system, including increasing constraints on access to ownership, expansion of rental insecurity, and emerging vulnerability among homeowners.
Klemen Ploštajner	Ministry of Solidarity-Based Future (Slovenia)	State Secretary; responsible for housing policy	Highlighted the system-wide expansion of housing insecurity and the weakening of traditional pathways into stable housing; provided insights on policy responses to rising owner vulnerability and the weak rental sector.

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From Post-Socialist Security to Housing Inequality: Housing Tenure, Vulnerability, and Subjective Wellbeing in Slovenia, 2005–2024

Tara Sergeja, Kadunc

Abstract

As housing increasingly functions as a hidden welfare mechanism, Slovenia represents an ownership-dominated system in which pathways to stable housing are becoming limited. This thesis examines to what extent housing tenure (ownership, private renting, and public renting) is associated with subjective wellbeing in Slovenia and how this relationship has changed over time. It addresses whether differences in key subjective housing outcomes and life satisfaction reflect individual characteristics and housing conditions, or whether housing tenure itself plays an independent role.

The analysis is based on two nationally representative housing surveys from 2005 and 2024 and combines descriptive and multivariate methods, including principal component analysis, clustering, regression models, and Oaxaca–Blinder decomposition.

The findings reveal a substantial transformation of the housing system. While differences in 2005 were primarily shaped by socio-economic characteristics, they are increasingly driven by subjective housing outcomes in 2024. This shift is accompanied by an expansion of vulnerability across the system, which is no longer limited to traditionally disadvantaged groups but increasingly affects homeowners. At the same time, renters remain consistently disadvantaged across all outcomes, including life satisfaction, and these differences persist under comparable conditions, indicating that housing tenure itself plays an independent role. Housing outcomes are also more closely linked to overall life satisfaction, suggesting that housing is increasingly central to broader wellbeing. This transformation is particularly evident among the youngest generation, for whom vulnerability has increased most and who no longer transition into stable housing positions.

The results show that housing in Slovenia is a central factor shaping inequality and wellbeing. Policy responses are therefore needed to strengthen the private rental sector, expand public housing, and address growing affordability pressures across the system.

Key words

housing tenure, subjective wellbeing, housing inequality, Slovenia, rental market, housing policy