Slovakia continues to experience structural insufficiency in housing supply, with demand persistently outstripping supply, particularly in urban regions. The 2025 country-specific recommendations (CSR) on housing focused on supporting housing supply and expanding the rental market by accelerating residential construction and promoting social housing, while considering regional disparities. Although residential construction has increased over recent years, it remains far below the estimated needs. Slovakia ranks among the countries with the lowest housing stock per capita in the EU. Despite increased residential construction in 2012-2023, the housing supply gap has not been closed. The cumulative housing deficit in Slovakia can be attributed partly to higher interest rates and is estimated at between 200 000 and 400 000 dwellings ([361]) or even 500 000 dwellings. The 2025 CSR recommended accelerating residential construction. A new Building Act that aims to streamline permitting procedures has been adopted, yet its implementation is still in the early stages. The organisational capacity of construction offices, especially in the largest cities, remains unaddressed.

The rental housing sector remains underdeveloped, with a very low proportion of subsidised rental housing. The 2025 CSR recommended expanding housing supply in Slovakia, where about 93–94% of the population live in owner-occupied dwellings, standing out as one of the highest homeownership rates in the EU. At the same time, Slovakia lags far behind the EU average in social and affordable housing, with public rental options being very limited, which contributes to long waiting lists and affordability pressures for low-income households ([362]). The lack of affordable rental housing in urbanised areas also hinders labour mobility and thus productivity.

Public support for affordable and social rental housing is insufficient, both on the supply and demand sides. The 2025 CSR recommended promoting social housing, while considering regional disparities. Slovakia traditionally supports the construction of social housing by municipalities and cities, with about 50 000 flats having been built under the support scheme over the last 25 years. However, the scheme fails to support housing where it is most needed: in urban areas with rising populations. Demand-side subsidies, such as housing allowance, are either missing altogether, or cover only a fraction of the real cost, and thus do not ensure affordability.

Housing market developments

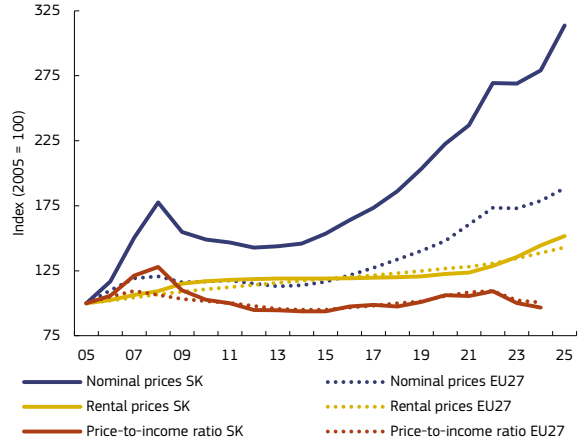
After the financial crisis, house prices surged vigorously. The 2008 financial crisis triggered a downturn in house prices, lasting until 2012. After that, prices began to accelerate, driven by affordable mortgages, limited housing supply and rising real wages (Graph A7.1). The nominal growth rate of house prices peaked at 13.7% in 2022, then experienced a correction in 2023 due to the rise in mortgage rates. Since 2024, nominal house prices recovered, and their growth accelerated to 12.4% year-on-year in 2025 when they showed signs of overvaluation of about 16% (based on the standard European Commission methodology). The house prices are nominally the highest in the capital of Bratislava followed by the second most-populated region of Košice.

Housing affordability worsened in the last years. The price-to-income ratio reached its peak in 2008, before declining during the financial crisis and rising again from 2015. In 2022, rising interest rates, high housing prices and weakened real wages due to high inflation significantly undermined housing affordability for first-time buyers. Although declining interest rates in subsequent years have stimulated mortgage demand, the improvement in housing affordability has been only marginal in 2024 and with worsening again in 2025 as house price growth outpaced the income growth.

([361])Výbošťok, Ján and Dušan, Paur. 2025. 'Housing in Slovakia: COVID-19 Pandemic Impacts on Regions, Affordability and Residential Development.' *Regional Studies, Regional Science* 12 (1): 881–895, https://doi.org/10.1080/21681376.2025.2572482.

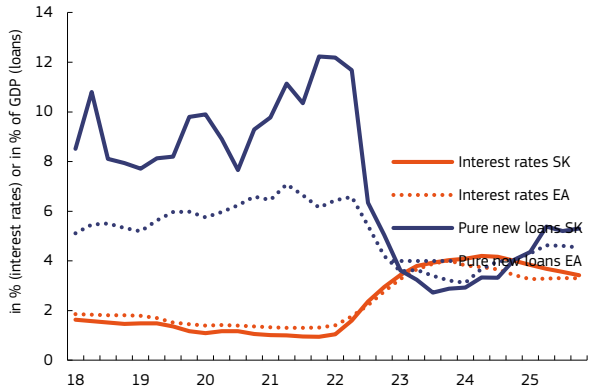
([362])OECD. *Economic Surveys: Slovak Republic.* Paris: OECD Publishing, 2024.

Graph A16.1: **House prices, rents and price-to-income evolution in SK and EU27 since 2005**



Source: Eurostat

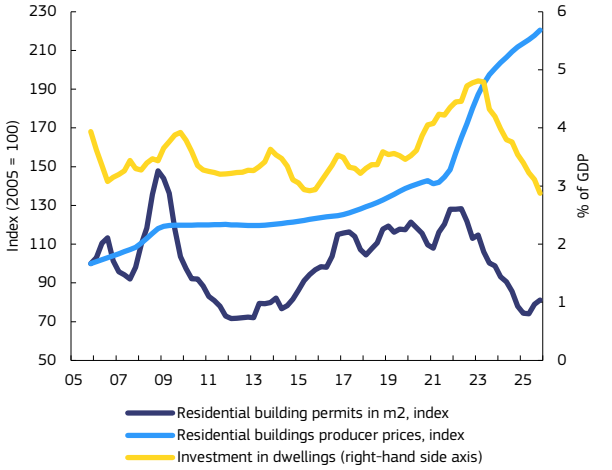
Graph A16.2: **Borrowing costs and housing loans, in SK and EA since 2018**



Source: ECB and Eurostat

Slovakia's housing supply is insufficient, with limited housing stock and fluctuating construction investments. While the mortgage market, and hence demand, has started to recover, housing supply has not kept pace. In the first half of 2025, construction began on only 7 241 new dwellings, representing a year-on-year decline of almost 14.5%. After peaking in 2021, residential building permits gradually declined until 2024, with Slovakia's existing housing stock remaining below the EU average. While residential investment has also declined in recent years, the cost of residential construction has remained relative stable, at around 63% of the 2020 EU average, signalling structural supply-side issues linked to the administrative environment. Suburban districts, such as the Bratislava hinterland, have absorbed the bulk of new construction, while density levels in large cities remain very low.

Graph A16.3: **House supply indicators in SK since 2005**



(1) 4-quarters moving sums (average for prices)
Source: Eurostat

The rental housing sector in Slovakia remains significantly underdeveloped. The proportion of rental housing is very low compared with the EU average and has not increased over time. Between 2011 and 2021, census data indicate a decline in the proportion of private rental dwellings in the total housing stock from 3% to 0.86% ([363]).

The tight rental supply does not meet the growing demand from Ukrainian refugees, putting pressure on rents. As the supply of both market-based and regulated rental housing has not expanded accordingly, heightened demand has translated into rising rents. The shortage of rental housing also negatively affects regional labour mobility, which is identified as a key factor behind the underutilisation of the labour force ([364]).

([363])However, the government itself considers these figures to be highly unreliable, as a substantially larger proportion of rental housing is likely to operate in the grey economy, outside tax compliance.

([364])Institute for Financial Policy (IFP) (2023), *V nájme ďalej zájdeš*, Ministry of Finance of the Slovak Republic, Bratislava.

Structural policies

Housing policy in Slovakia is institutionally fragmented and characterised by a dispersed allocation of competencies across several ministries and public bodies. The overall responsibility for housing policy lies with the Ministry of Transport, which lacks the means to ensure coherent and coordinated housing policies ([365]). Several other ministries and agencies are also crucial for housing policy, including the Ministry of Finance, the Ministry of Economy and the Ministry of Labour, Social Affairs and Family ([366]). More recently, a distinct segment of housing policy –state-supported rental housing – had been designed and implemented directly by the Government Office, through the Agency for State-Supported Rental Housing.

Urban density in Slovakia is very low, and current spatial planning does not promote higher density. Around 40% of the population lives in areas with population density comparable to rural areas, while only 21% of the population lives in densely populated areas, which is the second lowest proportion in EU after Slovenia. Settlement patterns are highly dispersed and contribute to urban sprawl. Bratislava's population density is roughly four times higher than Vienna's ([367]). Existing planning practices and residential development patterns do not promote higher-density housing, particularly in urban and peri-urban areas where demand is strongest.

Spatial planning represents a major structural constraint on housing supply. More than one third of municipalities lack a valid spatial (land-use) plan, which limits effective regulation and the ability to enable new residential construction. Under recent legislation, municipalities are required to adopt spatial plans by 2032. Not having a spatial plan by this deadline poses a risk for the quality of urbanism, because the land would not be regulated by default. However, amending spatial plans to allow new housing development is financially burdensome for municipalities where this is not mitigated, for example, by a developers' contribution. In addition, cases have been identified where existing Roma settlements are omitted from newly adopted spatial plans, creating potential long-term legal and social risks. This issue is currently being addressed by the Office of the Government Plenipotentiary for Roma Communities. Municipalities also face limited technical capacity and insufficient know-how for land preparation, further constraining housing development.

State policy does not sufficiently support the development of both the public and the private rental housing sector. For the regulation of rental housing, the 2014 Short-Term Lease Act, which increased flexibility in rental relations, largely at the expense of tenants, failed to generate additional incentives for expanding the rental sector. Support for public rental housing construction remains low and is predominantly directed towards renovation rather than new supply. Instead of expanding supply, capital subsidies are used to fill structural gaps in an underfunded public rental housing stock, where rental revenues are insufficient to finance proper maintenance and renewal ([368]). The city of Bratislava significantly underperforms in making use of these support schemes, partly due to limited land availability and high land prices. On the demand side, housing allowances cover only a very small fraction of rental costs and therefore do not constitute an effective instrument to support rental affordability. A public-private rental housing scheme under the Agency for state-supported rental housing is now operational. Investment contracts with private partners have been concluded, the first 70 rental flats were marketed in early 2025, and one partner committed to delivering at least 3 000 units.

Slovakia's tax system is significantly skewed towards supporting homeownership and demand-side incentives. The main instrument is mortgage interest rate subsidisation, which is available to young households aged 18–35 that

([365])Ministerstvo dopravy Slovenskej republiky. 2025. *Správa o plnení úloh Bytovej politiky Slovenskej republiky do roku 2030 a návrh na jej aktualizáciu*. Bratislava: Ministersto dopravy SR.

([366])ESPON (2024), *House for All: Access to Affordable and Quality Housing for All People – Country Fiche: Slovakia*, ESPON 2030 Cooperation Programme, Luxembourg.

([367])Gromóczki, Anton. 2024. *Ako vyriešiť bytovú krízu na Slovensku.* Bratislava: Friedrich Naumann Stiftung für die Freiheit.

([368])Institute for Financial Policy (IFP) (2023), *V nájme ďalej zájdeš*, Ministry of Finance of the Slovak Republic, Bratislava, pp. 15.

meet income eligibility criteria and occupy the supported dwelling as their primary residence. Such demand-side support contributes to higher housing demand and upward pressure on prices. Landlords are allowed to deduct from their tax base only direct operational costs incurred through rental activity, but not mortgage interest expenses or maintenance costs, unlike in many OECD countries ([369]). Recurrent property taxes are very low by international comparison and are assessed based on *area* rather than on land and property value, limiting their effectiveness as a neutral and efficiency-enhancing housing tax instrument (see Annex 3 on taxation).

For the first time, housing has been elevated to a strategic priority in the 2021–2027 Operational Programme for Slovakia, with over EU 150 million in EU funding deployed to strengthen affordable and social housing. The revised 2021-2027 Operational Programme for Slovakia allocates EUR 153 million in funding from the European Regional Development Fund and the Just Transition Fund to affordable and sustainable housing, including social housing. Housing has been introduced as a new priority in the programme, with planned investments in energy-efficient reconstruction of student dormitories, as well as construction of social housing for Roma and other vulnerable groups. Some of these investments will be undertaken by regions and cities under their integrated territorial strategies.

Vulnerable groups

Slovakia's housing cost overburden rate remains below the EU average, although housing affordability pressures remain for some households. Slovakia's housing cost overburden rate dropped from 6.4% in 2024 (EU: 8.2%) to 3.5% in 2025 (7.7%) ([370]). This means that a smaller share of Slovak households spent more than 40% of their disposable income on housing than the European average. While the energy poverty remains slightly below the EU average, is has increased markedly in recent years. The proportion of people unable to keep their home adequately warm rose sharply between 2021 (5.8%) and 2024 (8.3%), but declined slightly in 2025 (8.1%), while the EU average peaked at 10.6% in 2023 and declined to 8.8% in 2025. This indicates a slower recovery in Slovakia despite the EU-wide easing of energy pressures([371]).

The proportion of social housing remains low and, while demand continues to increase, public support has declined. The proportion of social housing in the total housing stock is among the lowest in the EU (2.5%). An insufficient supply of housing at below-market rents that is allocated based on social criteria increases the risk of homelessness and housing exclusion, while at the same time limiting the capacity to address these challenges effectively ([372]).

The Roma community continues to face large-scale housing exclusion. In Slovakia, many families live in segregated settlements without reliable access to water, basic infrastructure or secure legal ownership or rent the land they inhabit. 86% of Roma live in overcrowded conditions, often in segregated settlements that lack basic facilities such as access to tap water ([373]). Families encounter problems with land ownership rights and legal tenure, either ownership or tenancy, restricting infrastructure investment and increasing eviction risk ([374]). Overcrowded, unsanitary and inadequate housing in marginalised Roma communities undermines physical and psychological health and exacerbates exclusion. Children are often exposed to serious health risks from playing near illegal dumps, while

([369])OECD, *OECD Economic Surveys: Slovak Republic 2024* (Paris: OECD Publishing, 2024), pp. 92.

([370])The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

([371])Eurostat, 2024, EU-SILC – Slovakia.

([372])OECD. 2024. *OECD Economic Surveys: Slovak Republic 2024* https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024_397ca086-en.html

([373])Atlas of Roma communities, 2013 (note: the Office of the Government Plenipotentiary of the Slovak Republic for Roma Communities is preparing an update on the basis of the data collected in April 2025).

The Fundamental Rights Agency (FRA) conducted its 2024 Roma Survey across 13 EU countries to monitor progress on the EU's Roma strategic framework up to 2030. Slovakia finished collecting data in spring 2025 but its results were not included in the published survey database at the time of release. Slovakia was included in the FRA's 2016 survey.

([374])European Roma Rights Centre, 2016.

Graph A16.4: **Housing affordability selected indicators**

		EU27				SK							
	unit	2000-25 avg.	2023	2024	2025	2000-25 avg.	2023	2024	2025	unit	2023	2024	2025
House price to income ratio	*2000-25 avg = 100*	100.0	102.0	100.2		100.0	97.0	93.6		YoY%	-8.3	-3.5	
Rent to income ratio	*2000-25 avg = 100*	100.0	85.1	83.5	84.5	100.0	69.3	68.7	69.8	YoY%	-3.2	-0.9	1.6
Overburden rate, total	%	9.9	8.8	8.2		8.3	5.9	6.4		PPS/y	3.4	0.5	
Overburden rate, tenant with market rent	%	23.8	20.3	19.2		18.4	24.2	29.1		PPS/y	11.4	4.9	
Overvaluation gap	%					0.2	12.3	8.8	16.2				
Deflated construction production price	*2010 = 100*	102.2	112.2	111.8	110.5	98.5	110.6	113.2	113.0	YoY%	0.4	2.5	-0.1
Building permits	*m^2 per ths persons*	483.5	376.9	362.9	379.9	378.1	366.5	293.1	311.6	YoY%	-13.0	-20.0	6.3
Residential construction investment	*% GDP*	5.5	5.8	5.1	5.0	3.7	4.2	3.5	2.9	YoY%	-12.5	-16.7	-17.1
Share of ownership	%	70.0	69.1	68.4		90.3	93.6	93.1		PPS/y	0.6	-0.5	
Share of people living in overcrowded homes	%	17.7	16.8	16.9		37.5	30.5	29.9		PPS/y	-1.3	-0.6	

Source: Eurostat and European Commission calculations. The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

basic sanitation is largely absent ([375]), with only 5 359 out of 13 100 residents connected to a sewage system.

Homelessness in Slovakia rose markedly in 2011-2021. The 2021 population and housing census recorded 71 076 people experiencing homelessness (1.31% of the population) using a broad European typology of homelessness 'Light' definition, compared with about 23 483 people (0.4%) in 2011. This reflects not only changes in data collection methods but also a real rise in housing insecurity. In Bratislava's 2023 homelessness census, 2 199 ([376]) people were recorded as experiencing homelessness or housing exclusion. In Košice, around 2 300 people experience homelessness ([377]). In April 2023, Slovakia adopted its first 2023–2030 national concept for preventing and ending homelessness, with the aim of providing a coordinated strategic basis for reducing homelessness. An action plan, involving government, NGOs and local authorities was also drawn up to operationalise the strategy.

Around half of Ukrainian refugee households still identify accommodation as a priority need, pointing to ongoing housing insecurity alongside broader integration challenges. Slovakia has granted temporary protection to approximately 136 000 people displaced from Ukraine since the start of the war in 2022 ([378]). Many refugees initially lived in state-supported or collective accommodation, but securing stable, long-term housing remains difficult ([379]). Accommodation is the top priority need for about half of refugee households, highlighting ongoing housing insecurity, even though two thirds of refugees are employed. Structural barriers include the reduction in state-supported accommodation allowances from 120 to 60 days for new arrivals as of March 2025. This was intended to encourage integration but also intensifies pressure on refugees to find their own housing quickly.

New projects are adopting Housing First principles. Projects supported by the European Social Fund Plus and national partnerships use Housing First approaches to provide affordable housing with comprehensive support. The aim is to scale up this model, starting in Košice and continuing in Prešov and Bratislava. The target groups include homeless families. While cooperation with NGOs and the launching of pilot projects show promise, in the future, Slovakia urgently needs to: (i) scale up housing-led and Housing First solutions; (ii) expand social housing; and (iii) align housing allowances and support services with the long-term needs of people at risk of homelessness.

([375])Eurochild. 2025. Alarming Report on the Situation of Roma Children in Slovakia. Brussels: Eurochild.

([376])Bratislava. Ľudia bez domova sa rátajú: Záverečná správa zo sčítania ľudí bez domova v Bratislave 2023. Bratislava.

([377])https://enrsi.stvr.sk/articles/topical-issue/418769/more-than-2300-homeless-people-live-in-kosice-with-about-150-on-streets.

([378])Directorate-General for Migration and Home Affairs. 2025. Slovakia: Progress and Challenges in the Integration of Displaced People from Ukraine. European Commission.

([379])UNHCR (United Nations High Commissioner for Refugees), 2024, Slovakia: Socio-Economic Insights Survey 2024. UNHCR.