



**CEESEN-BENDER**

**Building intErventions in vulNerable Districts against  
Energy poveRty**

**Slovenia's report on building renovation  
technical and economic barriers**

Annex 3 to Deliverable 3.2 – Report on Building Renovation Technical and  
Economic barriers in 5 pilot countries and in CEE

WP3 Tackling the barriers hindering building related interventions in vulnerable districts



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## SLOVENIA

### National Report on Building Renovation – Technical and Economic Barriers

#### 1. Summary and Recommendations

Energy renovation of multi-apartment buildings (MABs) in Slovenia has progressed steadily, supported mainly through the ECO Fund, which provides both grants and favourable loans. However, awareness of available programmes remains uneven, and certain groups—particularly tenants in MABs—are excluded from most support schemes, which are targeted only at apartment owners.

While renovation activity is generally well developed, rising construction costs and a shortage of skilled workers remain key challenges. Regional differences are also evident: eastern Slovenia shows higher levels of energy poverty and slower renovation uptake than western regions.

#### Key Recommendations:

1. **Increase awareness and visibility of renovation support programmes** – improve promotion and outreach to ensure that available ECO Fund grants and loans are widely known among MAB owners, managers, and residents.
2. **Enhance support for vulnerable households** – expand existing ECO Fund schemes to cover 100% of co-financing shares for energy-poor households and include tenants, who are currently excluded from such support.
3. **Simplify administrative and procedural requirements** – streamline applications, provide better guidance for building managers, and strengthen local advisory services to accelerate uptake.
4. **Maintain and expand favourable loan options** – ensure continuity of low-interest financing through the ECO Fund and complementary mechanisms such as SID Bank loans and European Investment Bank facilities.

#### 2. Overview of the Renovation Landscape

In Slovenia, renovation of multi-apartment buildings is generally well organised and financially supported. The ECO Fund plays a central role by providing subsidies and soft loans for comprehensive energy renovation. Projects typically combine façade and roof insulation, window replacement, and heating system renewal.

Typical renovation costs are around 150–200 €/m<sup>2</sup> for insulation and window replacement works, with slightly lower costs for large-scale MABs (expert input, 2024). Between 2020 and 2023, construction and labour costs increased significantly [1][2], while the EURIBOR rose to around 4% [3], making borrowing somewhat more expensive. However, credit availability has not worsened substantially, as the ECO Fund and partner banks maintain favourable loan conditions for renovation.

Most renovation activity occurs in urban areas and in MABs where owners' associations are well organised. Problems arise in buildings with poorer households, which cannot contribute their share for renovation despite available grants. These cases are

concentrated mainly in eastern Slovenia, where income levels are lower and energy poverty more common.

### **3. Homeowner Motivation in Multi-Apartment Buildings**

In Slovenia, renovation decisions are primarily motivated by financial incentives and the technical condition of buildings. The main motivators were:

- Availability of grants,
- Reduction of monthly living costs,
- Repair of poor and failing systems (e.g., electrical, water, heating, sewage).

Other potential motivators, such as aesthetics, indoor climate improvements, and greenhouse gas reduction, were not prioritised by experts.

In practice, most renovations occur when grants or loans are available and when buildings require technical repair. Energy savings and reduced heating costs are tangible benefits, but decisions are still strongly linked to financial support programmes.

### **4. Barriers to Renovation**

#### **Financial situation**

The financial system for renovation in Slovenia is well developed compared to other CEE countries, mainly thanks to the ECO Fund, which provides both grants and low-interest loans. However, not all homeowners are aware of these opportunities, and the grant intensity (typically up to 40%) is sometimes insufficient for low-income households.

For vulnerable owners, the ECO Fund offers a 100% grant for their co-financing share, but tenants are not eligible, leaving some of the poorest households excluded. This structural limitation reduces overall coverage and deepens inequality among building residents.

Barriers not prioritised: Innovative financial instruments were mentioned but not selected as key barriers, since the existing ECO Fund mechanism already provides suitable models.

#### **Market situation**

The renovation market functions well overall but faces regional and sectoral disparities. Contractors are concentrated in urban areas, while smaller municipalities have limited access to specialised companies. The increase in renovation demand and rising labour costs have led to higher project prices, which sometimes exceed available funding ceilings.

Barriers not prioritised: Awareness of renovation and good practice examples were not considered critical, since numerous successful cases are already visible across the country. The main market limitation stems from workforce capacity rather than information gaps.

## Technical situation

Experts identified shortages of skilled workers as the most pressing human-capital barrier in Slovenia. While engineers and designers are generally available, the lack of experienced craftsmen delays project implementation and drives up costs.

Training programmes exist but have not fully compensated for emigration and the ageing workforce. The scarcity of qualified site workers and installers poses a long-term challenge for scaling up renovations.

Barriers not prioritised: Designers, supervisors, and consultants were listed but not prioritised as obstacles, since expertise in project preparation is adequate compared to other CEE countries.

## Other/social factors

Although overall awareness of energy renovation is high, motivation among poorer households remains limited due to affordability issues and administrative complexity. Some building managers lack sufficient knowledge about the technical and financial aspects of renovation projects.

Barriers not prioritised: Innovative technological solutions were mentioned but not prioritised; technology availability is good, and the main constraints are social and financial.

## 5. Energy Poverty Context

Energy poverty in Slovenia is defined under the Energy Act (EZ-2) [4], Electricity Supply Act [5] and the related Regulation on Criteria for Defining and Assessing Energy-Poor Households [6]. According to this framework, energy poverty is assessed based on housing quality and ability to pay for energy. Households with leaky roofs, damp walls or floors, and inability to provide adequate heating are classified as energy-poor.

Regional differences are notable: in 2023, energy poverty affected 9.2% of households in eastern Slovenia and 5.1% in western Slovenia. The ECO Fund provides grants covering 100% of the co-financing share for vulnerable homeowners in MABs, but tenants are excluded, leaving a significant portion of low-income residents without support.

## 6. Background and Methodology

The findings in this report are based on expert assessments collected through a structured questionnaire in Spring 2024. Responses were analysed to identify the most relevant barriers and motivators, with results validated and summarised by the Local Energy Agency Spodnje Podravje (LEA Spodnje Podravje) and consolidated by the Tartu Regional Energy Agency (TREA) in November 2024.

This national report forms part of Deliverable 3.2 – *Report on Building Renovation Technical and Economic Barriers in five pilot countries and in Central and Eastern Europe (CEE)*, prepared within the CEESEN-BENDER project. CEE-level report compares findings across all pilot countries, highlighting similarities and differences in renovation practices, barriers, and the policy context.

## References

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- [5] Government of Slovenia. (2021). Electricity Supply Act (Zakon o oskrbi z električno energijo).
- [6] Government of Slovenia. (2022). Regulation on Criteria for Defining and Assessing Energy-Poor Households (Uredba o merilih za opredelitev in ocenjevanje števila energetske revnih gospodinjstev)



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