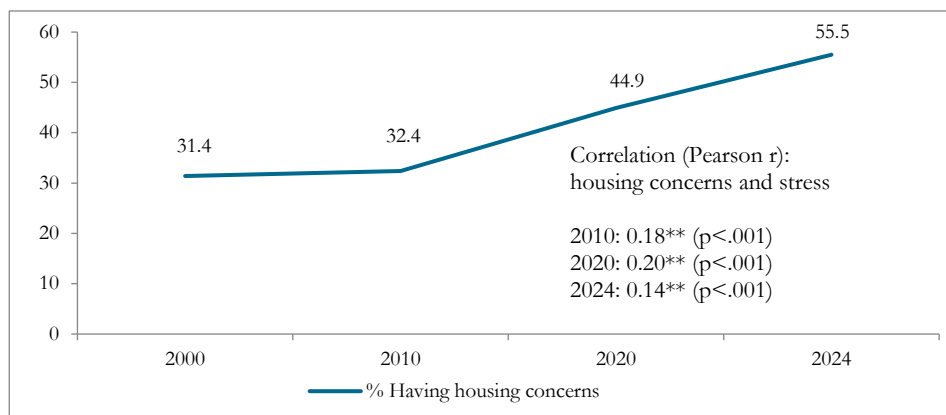


2023). And, as many studies have indicated, rising housing costs, coupled with precarious employment conditions, have led to delayed home-leaving and extended reliance on family households (OECD, 2019; Eurofound, 2018). These challenges are compounded by structural shifts in labour markets and welfare policies that often fail to provide sufficient support for independent living among youth (Klanjšek, 2022). Similar trends could be observed in Slovenia and Croatia as both countries have been grappling with long-standing housing market challenges even before the pandemic. In Slovenia, high housing prices relative to income, coupled with a shortage of affordable rental options, have made it difficult for young people to secure independent living arrangements (Zupančič & Novak, 2021; Klanjšek 2022). Specifically, the Statistical Office of Slovenia (SURS, 2024) reported that property prices rose by over 86% from 2015 to 2023; most significantly in the last three years (Klanjšek, 2022). It is thus not surprising, that the share of Slovenian youth that express fear of housing as a concern is steadily increasing, from 31.4% to 55.5% in 2024 (Klanjšek, 2024). Importantly, housing concerns proved to be significantly connected to stress (Klanjšek, 2024; Figure 3.8.), which is known to be a significant factor that impacts (mental) health (Pearlin et al., 1981).



Source: Klanjšek, 2024

**Figure 3.8: Youth having housing concerns and association with stress, 2000-2024 (%)**

In Croatia, the post-2020 surge in real estate prices and rents has created an acute affordability crisis. Mid-income youth, who are often overlooked in policy discussions, struggle with high living costs, unattainable loans, and inflationary pressures. A 2024 study notes that Croatia's housing market fails to meet

international obligations for ensuring the right to affordable housing, with youth disproportionately affected by speculative pricing and limited social housing initiatives (Lulić, Muhvić & Pašuld, 2024).

The following quotes from the participants in the qualitative part of our study (focus groups) depict the worries of young people in Croatia:

"As far as the housing problems go, as we all can see, the prices are skyrocketing while salaries stay the same. I don't think anyone can actually afford to rent, unless two or three people live together. Our city has enough, I believe, space to be able to provide some apartments or accommodation at normal prices, or at least some laws should be made to bring down these simply unrealistic housing prices in the city. And there should be a reduction or limit on what's now become popular – worker accommodation. It's become absurd. Because before, apartments for students used to cost 200 euros per month – now a bed in an apartment with 18 beds costs 200 euros. That's not normal."

(Female, high school student & employed, Croatia)

The COVID-19 pandemic has intensified these challenges by disrupting labour markets and increasing the financial insecurity of many young Europeans (Bambra et al., 2020). Lockdowns and social distancing measures have further highlighted inadequacies in housing conditions, particularly in urban areas where overcrowding and limited living space can exacerbate stress and impede effective remote working and learning. In this context, the intersection of housing instability, economic uncertainty, and mental health has become a critical area of inquiry for policymakers and researchers alike. Additionally, the pandemic has further illuminated the precarious nature of youth housing. Economic disruptions have led to increased uncertainty about future housing prospects, and the shift to remote education and work has emphasised the importance of adequate living conditions. Youth in both Slovenia and Croatia are now facing compounded challenges: not only must they contend with the high cost of housing, but they must also navigate the effects of overcrowded or substandard living environments on their educational outcomes and mental health. Due to the number of these reasons, some of them even consider leaving the country and 'stop fighting'. The following quote from one Croatian focus group participant adds to their views: