

**REAL ESTATE VALUATION IN SLOVENIA**  
**BETWEEN**  
**THEORY AND PRACTICE**

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**Abstract**

The orientation to market economy in Slovenia ten years ago influenced also the developments in the field of real estate. The establishing of private property, and the processes of privatisation and denationalisation as a result thereof, directly influenced the development of real estate market. In practice, the necessity for market real estate valuation was imperative. This short review of the developments in market real estate valuation in Slovenia within the past ten years is based on the current legislation and its impacts on practice in real estate valuation. Some dilemmas and tendencies in this respect as well as some preliminary measures by the Government to regulate this field are presented herein.

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## **1 INTRODUCTION**

A dilemma on whether or not market valuation of real estate should be carried into effect in Slovenia has become redundant. Private property, secured by the new Constitution [17], is incompatible with the administrative valuation of real estate from the socialist era. It is characteristic of the administrative method of real estate valuation in the past socialist times that factors and their contribution to value were laid down by the law or the pertaining implementing regulations. The level of real estate value was laid down by the relevant regulations (Rules). Based on administrative methods, real estate value is not assessed, but determined. Such a value does not reflect the conditions on the market, but a political will of the legislator.

The target is known. In Slovenia, the concepts of a "democratic state" and "market economy" are joined by "market valuation of real estate".

The theory of market valuation of real estate is more or less known in Slovenia, but it remains to be seen, how the theory will be put into practice. Of course, there exist several ways of reaching the target – market valuation of real estate.

Numerous dilemmas had arisen in the transitional period from the administrative to market valuation of real estate. It is quite understandable that some thereof had been due to the inertia of the past ways of thinking, and others due to the introduction of the new, and by then still uncommon, ways of thinking, as regards real estate value in Slovenia. In that period, a gulf between theory and practice in market valuation of real estate was more than apparent.

Typically in Slovenia there is a marked inertia of the administrative methods of real estate valuation. For this reason, we shall first present some real estate characteristics that have influenced the valuation in Slovenia and explain, why the provisions of the Constitution in force do not allow of the inertia of past administrative methods in real estate valuation. We shall give an account of the past efforts towards real estate market valuation. Next, we shall present the conditions required for the enforcement of real estate market valuation in Slovenia and, focusing on the problems of data acquisition and maintenance. And in the end, we shall present the problems arising in the single/mass real estate market valuation for the purposes of taxation.

## **2 SPECIAL ASPECTS IN REAL ESTATE THAT INFLUENCE VALUATION**

In Slovenia, real estate valuation has mostly been influenced by the following real estate characteristics<sup>1</sup>:

### **a) General characteristics**

Slovenia is one of the smaller European countries (20,273 km<sup>2</sup>). It is irregularly populated, as there are a number of small settlements. Out of 5966 settlements in total, only 90 exceed 2000 inhabitants. Its geographical position between the Adriatic Sea, the Alps and the Panonian Plain has brought about a heterogeneity of landscapes and the life therein.

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<sup>1</sup> Data are evident from tables enclosed.

## b) Property Ownership

Privatisation, the privatisation of building land in particular, and denationalisation have not been concluded yet. The privatisation of apartments, apartment buildings and of the once socially owned companies are at a conclusive stage.

Most real estate is owner-occupied property. A consequence of the privatisation of apartments and apartment buildings in the first half of the 1990'es is a high percentage of owner-occupied property (82 %).

Real estate leasing has, with the exception of the non-profit and publicly financed apartments, not yet been regulated under a law. Owing to a high demand for real estate in the cities, comparatively high market rents have developed, which can hardly be explained on the basis of objective criteria that are characteristic of the balanced real estate markets.

## c) Spatial planning system and permits

The supplemented and partly modified spatial plans of the past socialist period [24] are still in force. Functional land use in these plans was established in the times, when public property was superior over private property, thereby ignoring the economic potential of a locality concerned. New spatial planning legislation is in preparation, but it is not known yet, what will be the subject of planning, and what will be left to market regulation in the future.

The procedures to acquire building permits are comparatively lengthy and involve considerable costs [23] [27]. Prior to construction, the investor must acquire two permits: the location and building permit; he is charged a "compensation for the change in utilization of agricultural land", and utility fee, which all results in limited property investment market and, to some extent, illicit construction.

## d) Data

Official data on real estate are gathered in the land register and in land cadastre. Owing to the frequently lengthy land delimitation procedures, the land cadastre status of the formerly socially owned real estate has not been updated yet. Such a status contributes to the misunderstandings between neighbours and the interventions in space. It does not present a basis for safe trade in real estate, and neither do the data on the cadastral culture and cadastral classes provide a quality basis for the assessment and impartial taxation.

There are no unified registries on buildings and parts of buildings in Slovenia. The data on real estate owners are still entered manually in the land register, they are incomplete and, therefore, the land cadastre has in many cases taken over the function of providing these data.

The data in the land register and land cadastre are not updated and, for this reason, their usability for the purposes of real estate valuation may be questionable.

The Real Estate, National Borders and Spatial Units' Records Act [22] that was passed in 2000 was envisaged to regulate the central segment of the real estate records system, i.e. the land cadastre and buildings cadastre. The latter will be established<sup>2</sup>. The Land Register Act [28] has not been put into practice yet.

The data on real estate market, including transaction prices, have since 1999 been monitored within the framework of the Ministry of Finance. An analysis of data quality and real estate market on the basis of these data has not been done yet. They will first be used in real estate valuation for the purposes of taxation in the years to come. The data are not publicly accessible, nor are they available to valuers for the individual cases of real estate valuation.

#### e) Taxation

Real estate taxation is presently governed by the State as well. For the time being, the field of taxation of real estate owned by natural persons is governed by the Tax Act [18]. The Tax Act is laying down property tax and the inheritance and donation tax. The real estate owned by legal persons is not liable to tax. The tax on land use is still in force, namely, the compensation for the use of building land, which originates in the former socialist system's Building Land Act [25]. All the aforementioned Acts originate in the past, and therefore, new laws are in preparation.

Additionally, some other Acts in the field of real estate taxation have been passed. In the 1990'ies, the Personal Income Tax Act was passed [21] governing the area of income derived from real estate. The Real Property Sales Tax Act [20] is laying down real estate sales tax. The Added Value Tax Act [19] is laying down added value tax.

#### f) Property finance

Slovenia's real estate market is characterised by the high real borrowing rates of 4.75 to 6 percent (nominal rates of 11.75 to 13 percent), very slow processing times of real estate transactions, and underdeveloped mortgage rental markets.

The usual bank loans for the purchase of real estate are not attractive for most people. In 1999, the State started floating favourable housing loans within the framework of the National Housing Savings Scheme<sup>3</sup>. The first saving period will conclude in 2004. By then, the State should provide the people concerned with fully developed land or apartments. Through an increased offer it could intervene with the housing market and bring about a decrease in the comparatively high real estate prices.

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<sup>2</sup> Regulated real estate records have been obligatory on the basis of the international obligations Slovenia has ratified in the field of environment, statistics, foreign ownership of real estate and similar, and in particular, for the accession of Slovenia to the European Union.

<sup>3</sup> The State is performing this task through the Housing Fund of the Republic of Slovenia, a public fund with its principal activity in: granting long-term loans with favourable interest to natural and legal persons to acquire the non-profit leased, publicly financed and self-owned apartments and residential buildings by purchasing, construction and renovation; investing into housing construction and building land; real estate transactions; granting premiums within the framework of the national housing savings scheme under the National Housing Savings Scheme Act, other tasks under the law and the tasks for the implementation of the national housing programme.

### g) Real estate transaction prices<sup>4</sup>

The data on transaction prices are difficult of access. Valuers get them through personal acquaintance with the real estate agencies, construction companies and similar. Thus they create their own databases.

Real estate prices are comparatively high as compared to other Central and East European countries. In 1998 in Ljubljana (the capital of Slovenia with approx. 273,000 inhabitants), the median house price amounted to \$ 81,000, the median rent to \$ 1,609, whilst the ratio between the median house price and median household income amounted to 7.85 and the ratio between the median house rent and the median household income to 0.17.

Real estate prices have increased more rapidly than the average income. In the period 1993-1998 in Ljubljana, apartment prices increased from 5 % to 15 % per annum, the average income by 4 %, and on the average, the consumer price index amounted to 12% per annum.

Real estate prices vary extremely. Their variability cannot always be explained by objective factors<sup>5</sup>.

In the past, building land prices were laid down by the law, and even by ten times lower from the market prices of building land. As the situation in this market has not become fully stable yet (privatisation, denationalisation) and as the transaction prices of building land frequently cannot be verified, we may assume that they frequently deviate from value. The data for Ljubljana show that in 1998, the median land price for highly developed land amounted to \$ 150, for developed land \$ 45 and for raw land \$ 15. The ratio between the median land price and the median household income per month amounted to 0.17, and the average annual increase level of the median land price amounted to 8.5%.

Inadequate legislation on real estate, including real estate valuation and non-transparent real estate market in Slovenia, has brought about an inertia of administrative methods of real estate valuation from the past socialist period, although the new Constitution has completely changed the framework of real estate from the past one. Let us have a closer look!

## **3 CONSTITUTION AND REAL ESTATE MARKET VALUATION**

The last valid constitution of the socialist system, namely the Constitution of the Socialist Republic of Slovenia of 1974 [16], defined:

- ?? existence of social and private land property,
- ?? superiority of social property<sup>6</sup>, and

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<sup>4</sup> The data on real estate market are not official.

<sup>5</sup> Let us take the neighbourhood of Murgle in Ljubljana, for instance. Apartment house prices in this neighbourhood are high despite a proximity of the city dump, as there reside people of public influence.

?? provision that only work and the results of work, based on equal rights and responsibilities, defined the material and social status of man<sup>7</sup>.

The Constitution of the Republic of Slovenia of 1991 [17], representing an essential break from the constitutional tradition of the time and providing for the new conditions and relations on real estate market, defined:

- ?? existence of public and private land property, as well as private property in towns, settlements of urban character, and in other areas designed for residential and other construction,
- ?? equality of private and public land property,
- ?? capital, as the basis of creating and appropriating income, in addition to work.

The new Constitution set also the framework of regulation in the field of real estate, in particular in real estate valuation. The right to own and to inherit property shall be guaranteed (Article 33). The manner in which property is acquired and usufructed shall be regulated by statute so as to ensure the economic, social and environmental benefit of such property (Article 67). Thereby, Slovenia, as other countries with the modern market economy system, has moved away from the liberalistic concept of property. Land and property affixed to land may forcedly be acquired, or the ownership thereof may in the public interest be limited by the State, upon the right to such compensation by the State in kind or in funds as ensuing from the statute. (Article 69).

The Constitution in force, therefore, does not permit the inertia of the past administrative methods of real estate valuation, whereby in the times of superiority of social property, the State used to regulate real estate value [2] [3] [8]. A question remains open on whether or not and how this constitutional framework was ever put into practice.

#### **4 SINGLE REAL ESTATE VALUATION**

In Slovenia there is no formally established definition of market value. Mostly, the definition of market value by the American Society of Appraisers is used. This is only logical as in 1992-1993 in Slovenia, the Society's representatives lectured extensively on real estate market valuation.

The Slovenian laws in force do not mention market value or define it. The Building Land Act [26] deals with the cases of expropriation and compensation for an expropriated real estate that includes the real estate value and the expenses pertaining to expropriation (Article 26). There is no explicit indication of which value should be understood thereunder. We may assume that this is the market value, as:

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<sup>6</sup> The Constitution clearly stipulated: "On building land in towns and settlements of urban character, and in other areas designed for residential and other complex construction, that are in under the procedure, laid down by the law, determined by the community, nobody is entitled to property right." (Article 98).

<sup>7</sup> In practice this meant that there could not exist major differences in property between people.

1. in case of expropriation, the constitutionally ensured private property may only be linked with the previously set market value,
2. Slovenia has ratified Protocol No. 1 to the Convention on the protection of human rights and basic freedoms [12],
3. some West-European countries have, based on identical legal diction, in practice acknowledged a 100 % market value for compensation in case of expropriation.

Valuers<sup>8</sup> frequently overlook and disregard the fact that, nowadays for instance, also in the valuation of land designed for construction in the public interest, the past valuation criteria and methods may not be applied. In the past, the undepreciated investments by the owner and his social status were taken into account in the expropriated land compensation. In the past socialist period the law explicitly prohibited the influence of locality (!) to be considered in the real estate value, and in market value assessment, this is the most important factor.

Among valuers the opinion prevails that the valid administrative method of real estate valuation of 1987 (Rules on the unified methodology for the calculation of market value of residential houses and apartments, and other real estate [10], hereinafter referred to as: PEM) is still adequate. Let us find out, why.

In real estate value assessment it is in general important:

- ?? which factors influence real estate value, and
- ?? how strong their influence is.

With the administrative methods of real estate valuation it is laid down by the law or pertaining implementing regulations, which factors shall influence real estate value and how strong their influence will be, notwithstanding the situation on the real estate market. Based on the PEM of 1987, "market value"<sup>9</sup> of real estate is still nowadays assessed by means of factors, set in 1987. The result of valuation is a certain value of real estate in compliance with the Rules.

With the market methods of real estate valuation it may be established, which factors influence real estate value, and to what extent, only on the basis of an analysis of real estate market. The legislation is providing a framework only as regards the essential elements of the valuation system. The situation in the real estate market is the basis for market methods of real estate valuation. The result is an assessed market value of a real estate in question.

In the light of the abovementioned, we may ask ourselves, why have the administrative methods been preserved for so long, and why do the valuers not assess market value of real estate in accordance with the appropriate methods?

a) Non-exacting assessment procedure

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<sup>8</sup> Slovenia has approx. 2 million of inhabitants, and approx. 800 registered judicially sworn-in valuers.

<sup>9</sup> This value is so defined in the Rules. In fact this is a value, determined within the scope of the Rules, and has no connection with market value whatsoever.

The administrative methods of real estate valuation are found easy to use by the valuers. The assessment report is more easy to compile and they may charge the job done much sooner. They do not need to substantiate their decisions, as the guilt for any mistakes in the selection of factors, as well as the magnitude of their influence, may be put on the Rules: it says so there. With the administrative methods of valuation, relative to the denationalisation and privatisation of the socially owned property, the haste in the implementation of these two processes is a good enough excuse for the fact that administrative methods of real estate valuation for these two purposes only are still in use. This is the main reason why the valuers are stimulated to apply such methods.

#### b) Erroneous notions on the market methods of real estate valuation

Still today, in 2001, some valuers think that the existing methods should be corrected in as much as to make the calculated real estate value higher.

In the past it was asserted that, in general, the administrative values were lower than market values of real estate. This was especially true of building land. For this reason, some valuers in the beginning of the 1990'ies asserted that only by an increase in value of certain factors in the administrative method of 1987 [10] they could assess (determine) market value of building land. As a consequence, a so determined value of building land may at present be higher, lower, but only by chance equal to the market value of building land. The essence and usability of such a method were not changed by these corrections.

#### b) Unawareness of persons ordering the assessments

The inertia of the administrative methods of valuation is linked to the poor awareness of the persons ordering the assessments. Frequently, these do not know, which real estate value they would wish to have assessed. Nevertheless, persons ordering assessments nowadays in Slovenia are more and more acquainted with and feeling the consequences of the differences between the administrative and market valuation of real estate. Not only, when the "figure at the end of such an assessment" is unusable and the money spent on such an assessment "thrown away", but in particular, when such an assessment has caused the orderer unexpected additional costs. The lesser here is the cost of ordering a new assessment.

Valuers making assessments in accordance with market methods have been a minority. Their assessments are frequently "infected with the infantile diseases" of preceding period, as they:

- ?? apply unverified data on real estate market which are difficult to verify,
- ?? do not analyse real estate market or the analysis is incomplete owing to a lack of appropriate data,
- ?? apply certain valuation methods in cases, where they are expressly warned against even in the theory of valuation, and similar.

Slovenia is still in the transitional period from the administrative to market valuation of real estate. To wait for the circumstances to change to market valuation by



themselves, would be an illusion. The State should stimulate a rapid establishment of real estate market valuation by taking appropriate measures.

#### **4.1 MEASURES REQUIRED TO ESTABLISH THE SINGLE REAL ESTATE MARKET VALUATION IN SLOVENIA**

Owing to a deficient regulation of real estate valuation, the State is facing great problems in the acquisition of land required for highway construction. Whilst the owners of land are positive that their real estate is of "enormous value", the State is willing to pay an insignificant amount therefor. How to reach a compromise, i.e. the market value of real estate?

In order to regulate this matter, the Ministry of Environment and Spatial Planning ordered the preparation of expert documents. The Project [20], concluded in 2000, proposes that, under the law, the State should define the:

- ?? market value and the regulation to lay down the methodology recommended for the assessment of this value,
- ?? administrative body to collect data, analyse real estate market and prepare the appropriate data for real estate market valuation,
- ?? unified conditions to be met in order to get the status of a real estate valuer, certified by the State<sup>10</sup>,
- ?? organisation of real estate valuers and, in particular: the tasks of such institutions, the standards applicable to real estate valuation, a code of ethics and the supervision of the State certified real estate valuers.

Legal regulation of real estate market valuation is imperative in order to establish market valuation in Slovenia. The inertia of the administrative real estate valuation and the legislation of the past socialist period are still evident and hindering the transition to real estate market valuation. Educational establishments and associations as such in Slovenia lack the influence to decidedly contribute to a rapid development of real estate market valuation, if there is no legal basis.

A greater transparency of real estate market would by all means contribute to this target. It could be reached by permanent analysis of real estate market and by public notification of results. An adequate real estate market analysis for Slovenia as a whole has not been performed yet.

Data collection and analyses of real estate market represent one of the conditions required to establish the single or mass real estate valuation in Slovenia.

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<sup>10</sup> In Slovenia there are sworn-in valuers and experts in civil engineering, valuers holding the Certificate of the Agency of the Republic of Slovenia for Promotion of Economic and Company Reconstruction, and valuers holding the Licence of the Agency of the Republic of Slovenia for Promotion of Economic and Company Reconstruction that was renamed as the "Certificate of a Designated Real Estate Valuer of the Slovenian Institute of Auditors. For details see [4].

## **5 REAL ESTATE VALUATION REQUIRED FOR REAL ESTATE TAXATION – MASS VALUATION OF REAL ESTATE<sup>11</sup>**

Real estate taxation in Slovenia is inadequately regulated and, therefore, new legislation is in preparation. The new draft act is laying down new regulation of this field. In the new draft act [11], market value of real estate represents the basis for taxation. An essential question to be resolved prior to the enforcement of the new method of taxation of real estate is how to gather quality data required therefor.

In the period 1997-2000 the ONIX Project took place in Slovenia. Within a sub-project, called "Geoinformation support of real estate management", the first analysis of the existing real estate data was performed for the needs of valuation in the process of taxation, by help of the geoinformation support, on the model of the Municipality of Maribor [1] [6] [7]. The data on all real estate subject to taxation was analysed separately from the data on the real estate market situation.

The data on the real estate market situation are used to analyse real estate market, and as regards taxation, to develop standardised adjustments in a valuation model. The methodology of defining standardised adjustments in a valuation model for the needs of taxation include:

- a) data preparation,
- b) real estate market analysis, and
- c) preparation of standard adjustments in a valuation model for the needs of taxation.

Data preparation includes:

- ?? data gathering on the the real estate market situation, and
- ?? evaluation whether certain data should be used in further analysis.

The data were gathered for building land only, including the elements thereof. Forest and agricultural land was excluded. The data on real estate, the subject of sale, were gathered from different sources, including the:

- ?? data gathered on the basis of the property record form<sup>12</sup>, in principle filled in by the sellers of real estate in their tax returns, as evidence of real property sales tax,
- ?? data on land use in the long-term plan of the Municipality of Maribor,
- ?? data from land cadastre,
- ?? data from the records for the needs of assessment of current taxation of the building land use ('compensation for the use of building land'),
- ?? data gathered from the surveys in the field, and
- ?? data gathered by the real estate agents and real estate valuers.

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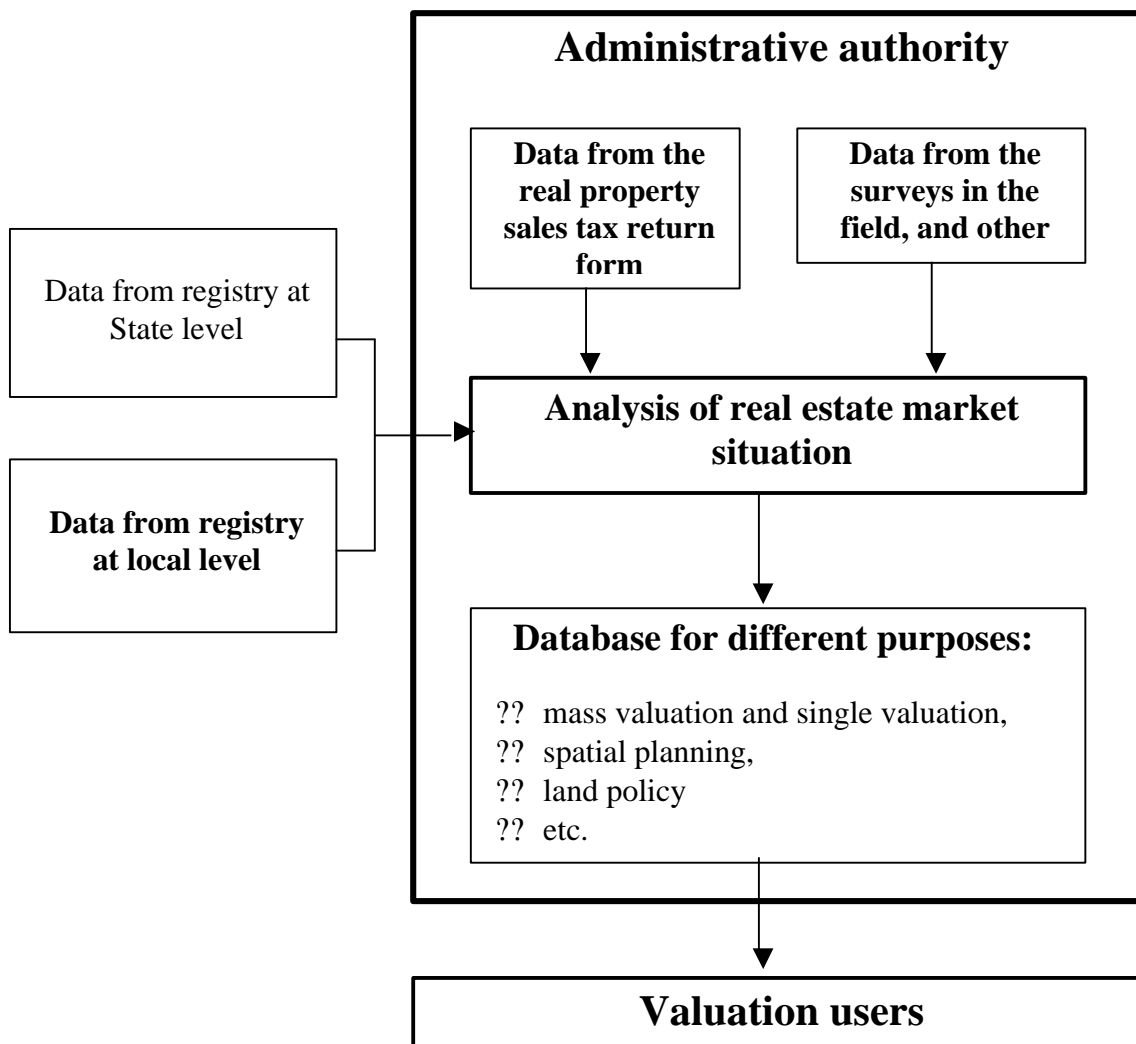
<sup>11</sup> In Slovenia there is no tradition in mass valuation of real estate. For this reason, the terms of the single or mass valuation of real estate are often confused.

<sup>12</sup> The aforementioned special form was designed for the purposes of the Project. On its basis, all the sales of real estate in the area of Municipality of Maribor were recorded in the period from 1.1. to 31.8.1999. Real estate vendors lodged the forms with the Administration of Taxes.

The Project envisages different possibilities of application of the data gathered on real estate market, also in single real estate valuation, as the basis of land policy and spatial planning at the level of the State, region or community. As foreseen, these data could be gathered at one location and simulate the operation of the relevant administrative authority. The general scheme of data gathering is presented in Chart 1.

Valuers involved in single real estate valuation are frequently erroneously thinking that, to carry out their activity, they need the single data of real estate transactions only. These very data may be unreliable, as they may be difficult to verify in the Slovenian real estate market, where transactions are rather infrequent. Only data that have been verified and processed on the basis of these single data, may show price trends in real estate market, and represent a reliable input for the assessment of market value in the single real estate valuation.

*Chart 1: Data gathering on real estate valuation for mass valuation and single valuation, spatial planning, land policy and other purposes*



The data on the real estate to be subjected to taxation represent a particular problem. Building land and buildings are assessed separately. Most problems arise in connection with the data on buildings and areas thereof. For this reason, the measured and calculated gross floor area of all the buildings, and the external inspection of the

relevant buildings were carried out for the purposes of the Project. Such data on real estate have not been available in Slovenia yet. As the full real estate data were not available for the Project, only some of the proposed adjustments were included in the final real estate value assessment.

At present in Slovenia, a Real Estate Registration Modernisation Project is under way that includes eight sub-projects: the Housing Finance and Mortgage Reform, the Land Register, the Agricultural Land Use Monitoring, the Real Estate Tax and Valuation System Development, the Land and Building Cadastre, the Legal Framework for Property Ownership, the Apartment Registration Development, the Project Coordination and Strategic Studies. The Project should be concluded in 2004. By then, the land cadastre and land register should be updated as well; the land register should be kept on the basis of information technology and the data of the land register and land cadastre should be mutually harmonised. In short, the real estate records in Slovenia should be unified by 2004.

## **5.1 PROPOSAL OF MEASURES TO CARRY OUT MASS REAL ESTATE VALUATION IN SLOVENIA**

Experience shows that in order to carry out mass real estate valuation for the purposes of taxation in Slovenia it should be necessary to:

- ?? first create the framework of the real estate taxation system (subject of taxation, value assessed, tax rate, taxpayers, valuation date),
- ?? prepare a simple valuation model that will reflect the situation in the real estate market and take into account the possibilities of data acquisition,
- ?? improve the existing form of the Ministry of Finance on real estate transactions so as to include new items,
- ?? control the data indicated in the form prior to acceptance of the form,
- ?? distribute the State, regions and communities into zones,
- ?? permanently calibrate and test the standard valuation model,
- ?? gather data on the real estate to be subject to taxation, from the existing records or, at the preliminary stage, to propose certain data to be collected from the existing records,
- ?? acquire data on real estate owners, in particular legal persons that own real estate, from the records used for other purposes; to propose an improvement of these records or, possibly, to invite owners to report on their property by themselves,
- ?? carry out real estate valuation and a comparative analysis between the amounts of the existing taxes on real estate, and the new ones, and to inform owners of real estate thereof (the calculated amount of the new tax and the data used therefor), and to provide for a certain period required for claims.

A vision of the long-term development of the real estate valuation and taxation system should be prepared, as well as an improvement of the organisational structure.

Concurrently, the citizens of the Republic of Slovenia should be informed of the progress of the project and on real estate taxes which, in the very nature of the matter, tend to have a negative effect on the public. Additionally, professionals should be trained in the full scope of real estate valuation and real estate taxation.

## **6 CONCLUSION**

Slovenia is in a transition from the administrative to market valuation of real estate. For this reason, the inertia of the past practices as well as trials to introduce new methods of thinking are evident in real estate valuation. The difference between the theory of real estate market valuation and the implementation thereof in practice is considerable. Nevertheless, the target, i.e. the introduction of real estate valuation, is absolutely clear. The State has made the first step in this direction and, in order to accelerate the transition to market valuation, it should by appropriate measures decrease the gulf between the theory and practice in real estate valuation in Slovenia.

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## ANNEX

Table 1: General data on Slovenia of 1998<sup>13</sup>

<b>Slovenia</b>	
No. of inhabitants	1,984,923
Total area:	20,273 km <sup>2</sup> (100 %)
thereof:	
?? agricultural areas	(38 %)
?? built-up areas	(2.5 %)
Total No. of settlements:	5,966
thereof:	
?? No. of settlements exceeding 2000 inhabitants	90
No. of apartments	701,049
Average apartment area	71 m <sup>2</sup>
Average apartment area per person	25.2 m <sup>2</sup>

Source: Statistical Yearbook, Statistical Office of the Republic of Slovenia, Ljubljana, 1998

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<sup>13</sup> When the data for Slovenia as a whole do not exist, we most frequently indicate the data for Ljubljana. It is the capital of Slovenia and real estate prices are in principle among the highest in Slovenia. The data presented were interpreted accordingly.



Table 2: Data on real estate prices in the house price-to-income ratio and land price-to income ratio for Ljubljana in 1993 and 1998

	Ljubljana		
	1993	1998	Average geometrical growth rate in the period 1993-1998
No. of inhabitants	304,300	273,000 <sup>14</sup>	
Area	903 km <sup>2</sup>	275 km <sup>2</sup>	
Median house price	\$ 62,900	\$ 81,000	5,2 %
Median rent	\$ 1,490	\$ 1,609	2.4 %
Median annual household income	\$ 9082	\$ 10320	2.6 %
Median annual household income of renters	8782 \$	9300 \$	1.2 %
Median house price/Median household income	6.93	7.85	
Median rent/ Median annual household Income of renters	0.17	0.17	
Median land price:			
?? Highly developed land	100 \$/m <sup>2</sup>	150 \$/m <sup>2</sup>	8.5 %
?? Developed land	30 \$/m <sup>2</sup>	45 \$/m <sup>2</sup>	8.5 %
?? Raw land	10 \$/m <sup>2</sup>	15 \$/m <sup>2</sup>	8.5 %
Median household income per month	\$ 757	\$ 860	
Median land price/ Median household income per month	0.13	0.17	

Source: UN Habitat National Report for Slovenia (1995),  
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<sup>14</sup> In the interim period, communities were restructured and, therefore, the data mutually differ essentially.