

## Real estate

# Foreign Demand

The sun seems to have broken out on the Slovenian coast figuratively as well as literally. After tough times for the real estate market, increasing foreign demand is seeing the growth of sales near the seaside – but only if the price is right.

By Mark Koghee



In demand: properties along Slovenia's coast are seeing a comeback of foreign buyers

Villas surrounded by gardens where palm trees stand amidst neatly mowed lawns and where the water in swimming pools reflects the shape of the house. Apartments within walking distance of the beach. Houses on slopes that are covered with vineyards. The Slovenian coast offers real estate in a picture perfect setting, but selling property hasn't been easy the last few years. The worldwide crisis on the housing market didn't spare these idyllic surroundings.

In the last few months, though, business seems to have been getting as sunny as the weather. Eva

Jakopin of Elite Property Slovenia, an agency for luxury real estate, says she has noticed higher demand from foreign buyers: "All in all there has been an increase of foreign buyers compared to Slovenian," she explains. "Slovenian buyers are hesitant in buying. Those among them that are serious take up to six months to make the decision to buy."

### Positive news

Jakopin predicts that the foreign demand will continue to grow: "Russian clients in particular are starting to realise that Slovenia is offering them a better life than

their home country. Sellers seem to be more open to adjusting their prices to fit the buyers' expectations which will allow the market to be active."

This is positive news after the long-term slump in the housing market. Whether it was low priced apartments or luxurious villas, selling property has been a hard task. In 2008, when the financial crisis started to bring the housing market down, just 122 properties were sold in the coastal region. Last year the counter stopped at 72 sales. Just two properties were sold to Slovenians. The remaining buyers came from abroad. Italians were most keen on buying real estate on the Slovenian coast. They bought 54 of the 72 sold properties.

### A holiday retreat

According to Jakopin each month now approximately three foreigners buy a property on the coast. The foreigners mainly go for luxury real estate, like apartments of over EUR 200,000 and houses that are between EUR 500,000 and EUR 1.5m. Usually these buyers are looking for a holiday retreat but many ultimately also decide to make Slovenia their permanent home.

The revival of the housing market on the coast comes at a cost. Only when the price of the property is lowered significantly can a sale be made. "The real value of property has fallen to the level of the times when the currency was still the Slovenian Tolar," says

Jakopin. "The advertised prices are still high, as many sellers don't need to sell and are waiting for the buyer who is prepared to pay the high price. Those sellers who want to sell have lowered their prices ten to thirty percent compared to 2007."

One-family houses that are approximately five kilometres from the shore get sold for EUR 1,250 per square meter. With a sea view the price not surprisingly rises: "The price changes also depending on the distance from the sea and cities, as well as age of the property," says Jakopin. "Luxury houses don't have such an evaluation scale, as these are specific properties where the price is defined especially on the basis of the location, quality and views."

### Cut price property

The recent sales of Agency Veda Invest, based in the coastal town of Ankaran, bear out Jakopin's suggestion that reduced prices lead to sales. A one bedroom apartment in Izola got sold after the advertised price was lowered from EUR 153,000 to EUR 145,000. Another apartment in the same town got sold after the price went from EUR 110,000 to EUR 100,000.

From small apartments to luxurious villas the prices of several properties are now being offered for a reduced price. It may not be back to its glory days, but the sun is starting to shine once again on the coastal property market. ■

# MANAGE YOUR CUSTOMERS!

## Intrix CRM

An efficient web solution for Customer Relationship Management, specialized for small to mid-sized companies.

 intera

21€  
/month!

[www.intera.si](http://www.intera.si)