

April 18, 2014 6:22 pm

Slovenia offers property buyers the best of Europe – at a bargain

By Zoe Dare Hall

Alpine skiing, Italian cuisine, pretty Adriatic beaches – and the lowest house prices for years



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The island church on Lake Bled, an area popular with British buyers

In central Europe, one small country is tempting overseas buyers back into the property market. [Slovenia](#), like most of Europe, experienced a property boom in the mid-2000s, followed by several years of decline. Between 2008 and 2012, house prices fell by nearly 18 per cent, according to the country's statistics office. Now, however, these low prices are offering an attractive new investment opportunity for some, with Elite Property Slovenia, Savills' associate agent, reporting its best year for sales since 2006. "Prices have flatlined, but buyers are aware that Slovenian prices are the lowest they've been in years," says Elite Property's Justin Young.

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“A decade ago, British buyers were our biggest market by far, mainly seeking cheap cottages in the mountains for around €40,000,” says Young. “That market disappeared . . . but we are now seeing the return of UK buyers. We also have a large Russian client base who tend to want new, higher-end villas or apartments priced upwards of €500,000 in central Ljubljana or on the coast”.

Bordered by Italy, Hungary, Croatia and Austria, Slovenia's recent history has been chequered. In the 1920s, its western regions were colonised by fascist Italy. It became part of Yugoslavia in 1929 before being carved up and occupied by Germany, Italy and Hungary during the second world war. Slovenia gained independence from Yugoslavia in 1991 and joined the EU in 2004, becoming the first former communist country to adopt the euro three years later.

Given the long battle to assert its identity, it is perhaps no coincidence that when describing Slovenia's charms many liken it to somewhere else. Its Alpine resorts – most notably Kranjska Gora, which hosts World Cup skiing – are often called a mini Switzerland; the capital Ljubljana is frequently compared with Prague, and the Slovenian coast – a compact 47km strip that runs between the Italian and Croatian borders – is likened to Venice, with its Italian influenced architecture and cuisine. Young says many of the property buyers he sees fell in love with the country while on holiday. “When people first see Slovenia, they are struck by how green and mountainous it is,” he says. “They see the snow-capped peaks and beautiful meadows and come back to take a proper look. It's not unusual to sell them a property on that next trip.”



Three-bedroom villa in the coastal resort of Portoroz, €1.2m

Slovenian second-home buyers and Russian investors tend to congregate on the coast, the limited stretch of which, coupled with high demand and tight planning controls, generates relatively high prices. “Coastal property here costs 20 to 25 per cent more than on Croatia's Istrian coast, but people tend to perceive Slovenia as a

safer option,” says Young. Certainly, the land registry system is extremely thorough: every plot and house is listed, together with access rights and financial information. Most popular are the coastal resorts of Portoroz, where Elite Property Slovenia has a three-bedroom villa on sale for €1.2m, and medieval Piran, which has echoes of old Dubrovnik.

According to Dan Bendall, director of property agent Think Slovenia, Piran “is undervalued, given its beauty. You can still buy a historic apartment 300 metres from the sea for €100,000 and this part of the coast . . . is far more attractive than the resorts around Venice”.

British buyers in Slovenia tend to avoid the coast and head for mountainous areas such as the Soca Valley, near the Italian border, where village properties in need of renovation start from €40,000. “The Soca Valley has some of the lowest prices in Slovenia and you can turn its old Italian-style houses into something spectacular,” says Young. Lake Bled in the Julian Alps, with its 17th-century church on Bled Island, is also popular with British buyers. “They’re mostly outdoorsy types . . . and they’re buying into the whole Alpine experience. Near Lake Bled, you’re only 20 minutes from the main ski resorts of Kranjska Gora, Vogel, and Krvavec, which is a 15-minute drive from Ljubljana airport,” says Bendall. “You can ski in three countries – Slovenia, Italy and Austria – in three days. That sort of thing fires up people’s imaginations.”



As do the prices. Slovenia is “a very affordable slice of the Alps”, adds Bendall, not just for property, but for extras such as lift passes and eating out. He is marketing a detached, four-bedroom house in central Kranjska Gora for €255,000, which works out at about €1,400 per sq metre. Compare that with the latest figures from Savills’ Alpine Homes, which show average prices of €7,000 per sq metre in French resorts such as Chamonix, and €25,000 in premium Swiss resorts.

Ljubljana’s property prices also compare favourably with those in nearby cities, according to the Global Property Guide, which lists the average price for resale properties in Ljubljana as €2,400 per sq metre, compared with €5,009 in Vienna or Salzburg, and €6,188 in Rome or Milan.

In the most desirable areas of the capital, around Stari trg and Mestni trg, average prices rise to between €4,000 and €4,500 per sq metre, according to Elite Property. Slovenia has a “low-turnover market with little culture of moving around or borrowing”, says Bendall, but there are bargains to be found. A recent rise in property

taxes has prompted many sellers to drop their prices to achieve a quick sale. “The annual tax used to be crazily low and now it’s still only 0.15 per cent of the property’s value, but it’s enough to make many Slovenians want to wash their hands of surplus properties such as holiday homes,” says Bendall. “Slovenians also find the lack of parking and crumbling buildings in Ljubljana impractical for day-to-day living, but those things aren’t a problem for holiday home buyers.”

It may not be a return to the boom days, but it seems that the charms of a simple, out-of-the-way holiday home that drew buyers a decade ago are being rekindled in Slovenia.

Buying guide

- Typical buying and selling costs amount to about 7 per cent of the property’s value
- Average temperatures range from 0C in January to 20C in July
- Slovenia’s relations with Croatia, particularly over borders, have been strained since Yugoslavia broke up

What you can buy for . . .

€100,000 A 50 sq metre apartment in a village near Kransjka Gora

€500,000 A 250 sq metre apartment in Ljubljana’s Mestni trg

€1m A new-build apartment on the slopes in Kransjka Gora

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