Positions of the impact of natural factors on real estate appraisal in Slovenia with an emphasis on flooding

Nina Langerholc
Association of Social Institutions of Slovenia, Slovenia

This article discusses the role of natural factors, such as landslides, floods, sun exposure, panoramic views, the amount of foggy days, the amount of clear days, wind, unpleasant smells, air quality, noise, and the frequency of hail and ice, in real estate appraisal. The discussion is based on the hypothesis that Slovenia lacks a quality database of natural factors that would be adequate for direct inclusion in the real estate appraisal, and that subjective perception of natural factors is the most explicit in the flooding factor.

The main tool used for evaluating the participants' viewpoints was a questionnaire through which 307 answers were collected. The results show that the biggest impact on the price is attributed to unpleasant smells, landslides and floods, while the biggest impact when buying a real estate is attributed to floods, noise and sun exposure. The participants think that natural factors are not sufficiently considered in the appraisal process, as their impact on the value is smaller than their impact on satisfaction with real estate. As the main cause, they define unsuitable legislation and unsuitable standards of the real estate appraisal.

The comparison of inclusion of flooding in the real estate appraisal process in Slovenia and the US shows that Slovenia lags behind the US. It has been determined that the main cause for this lies in poor and not up-to-date national flooding maps, which is reflected in insufficient input data in the real estate appraisal. It has been concluded that consideration of natural factors would contribute to more objective real estate appraisal and also to a more just real estate taxation system.

ninalangerholc@gmail.com