

## **An Analysis of Real-Estate Ads in Slovenia**

**Uroš Godnov**

University of Primorska, Faculty of management, Slovenia  
*uros.godnov@fm-kp.si*

**Tjaša Redek**

University of Ljubljana, Faculty of Economics, Slovenia  
*tjasa.redek@ef.uni-lj.si*

Slovenian real-estate market is very fragmented, exhibiting significant differences between regions as well as within regions. While the average price of advertised house per square meter in Ljubljana city was 1940 euro, a square meter in Zasavje cost only 550 euro, which is only 28 percent of the price in Ljubljana. Significant differences exist also within regions.

The paper studies the characteristics of Slovenian real-estate market through the lens of the sales advertisements. The following research questions are addressed: (1) What are the regional differences in the prices of advertised properties? (2) What are the price differences between different types of properties within and between regions in Slovenia? (3) What are the determinants of the differences and (4) How are the qualities (and higher prices) advertised?

The analysis relies on a broad database of 33 thousand property ads. The data was analysed using a combination of standard statistical approaches and data mining with text mining.

The results show that the large part of variation is explained by standard determinants (location, condition, type, age), but the qualities of properties are stressed in the ads to support the above-average price. These are supported by a standard set of expressions (phrases). These expressions appear also in a set of ads, where properties are of lower quality (by objective criteria), but have higher advertised prices. To avoid stressing the obvious disadvantages of the property, but mentioning that additional investment will be needed, a standard set of phrases is again used. Overall, the study contributes to the understanding of real-estate advertising as well as explaining price-variations.

*Keywords:* real-estate, advertising, price-variation