

EXPECTATION LEVEL OF REAL ESTATE BUYERS CONSIDERING REAL ESTATE FACTORS: THE CASE OF SLOVENIA AND JAPAN

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ABSTRACT

The paper shows partial results of the survey being conducted in Slovenia and Japan. Its aim is to determine factors which have a decisive influence on potential acquirers of real estate rights when deciding to purchase real estate. In the article we discuss the role of expectation of potential real estate buyers regarding factors related to the real estate according to their different cultural identity, age and according to satisfaction with their current residence status. We support the hypothesis defining that the observed differences in average accordance level considering the participants' expectation, in Slovenia and Japan, are statistically significant. The main instrument for measuring the level of the participants' accordance is a questionnaire in which 1270 participants took part. By analyzing results of statistical analyses we confirmed the hypothesis. According to the results, Slovene participants show lower expectations in terms of physical, living environment and socioeconomic factors than Japanese participants. This is particularly for younger participations. We explain the difference by establishing the difference in the level of economic situation, disposable income, poor housing affordability and inadequate or insufficient action in relation to the deterioration in the labor market and the housing market, which is more pronounced in Slovenia.

Keywords: expectation, real property, physical factors, living environment factors, socioeconomic factors

INTRODUCTION

The article shows partial results of the survey conducted in Slovenia and Japan and is aimed at determining factors which are critical to the potential real estate buyers when deciding to purchase real estate. We are interested in their expectations when buying a new property, according to satisfaction with their current residence status and according to their age. We take into account findings made by [32] that the expressed satisfaction with the current real estate does not imply these participants are not potential real estate buyers. These participants primarily come from households where in general they are not dissatisfied with the residence but are planning to resettle due to career reasons (course of education, working career and expanding a family) [32]. We are interested in cross-cultural comparison of two different cultures, Slovenia as part of the European Union and Japan as a highly developed Asian country. The selection criterion for choosing these two cultural environments is a high percentage of owner-occupied housings. According to Eurostat [4], in Slovenia 80 per cent of households owned their home in 2007. In the European Union approximately 65 per cent of households owned their home. According to Japanese Ministry of Land, Infrastructure,

Transport and Tourism [18], the percentage of owner-occupied housings reaches 60 per cent. Expectations of potential real estate buyers regarding the acquisition of real estate rights are diverse and differ according to their needs, wishes and interests, lawful options and material ability in modern economic environments. By observing the potential real estate buyers on the market many researchers attach to certain factors general recognition on the market [30] [2] [29]. Researchers [34] link expectations to potential acquirers of real estate rights, investors and owners who expect high (low) returns in the future when market grows (falls). They also have too high (too low) expectations regarding the rise (fall) in prices when expecting the future rise (fall) of prices on the market. They link participants' expectations to the change of market prices and regulatory measures of the country. According to Rouwendal and Longhi [24], this difference is due to a variable, which generally psychologically expresses a feeling of optimism or pessimism in consumers.

For both countries is characterized that a very small percentage of participants are expected government's subsidy [25] [9]. Mandič [16] noted a high percentage of inter-generational transfer of property in Slovenia, which was in 2003 up to 23 percent. Hsu [9] in his study "How the source of home ownership affect political attitudes?" noted, that for Japan also valid the phenomenon of intergenerational transfer of ownership [9]. Also Deutsch [3] notes that in the year 1989 up to 30 per cent of owner-occupied houses are acquired in the mode of inheritance and that this percentage is increasing. Both real property markets in Slovenia and Japan strongly responded to the economic crisis in 2008. In the year 2008 compared to year 2007, in Slovenia on national level the number of transactions with building plots fell by 18 per cent [26], whereas in Japan by 10 per cent [17]. By comparing the apartment prices in the year 2009 to the previous year, in Tokyo they fall by 19.4 per cent [17] whereas in Ljubljana by 4.8 per cent [26].

We would like to establish and compares the level of expectation between two age groups in different culture environment and different level of satisfaction with their current residence status. We would like to establish whether Slovene and Japanese participants considering the ethnic origin show statistically essential differences in terms of the expectation with physical factors, living environment factors and socioeconomic factors related to real estate. For defining age groups we took into consideration the research conducted by Mandic [16], where the participants' age group was defined on the basis of unified data processing of housing needs. This research shows that those seeking their dwelling are for the most part younger than middle-aged, up to 60 per cent of them were aged 25 to 34 years, whereas the seeker's average age was 32 years.

In Japan, Deutsch [3] establishes that the average age of a Japanese person entering their own household is close to 40, which is high in comparison to America (29 years) or Austria (31 years). Based on the stated above we observe two age groups, the first from 20 to 29 years and the second from 30 to 40 years.

Rohe and associates [21] studied social advantages of apartment owners and established that apartment owners compared to apartment tenants express higher satisfaction with their living environment, are socially more active in their living environment, change residence less often and more frequently contribute to the social stability of the neighbourhood [21]. The survey also showed that 86 per cent of American respondents believe that in terms of social security it is better to own an apartment than to rent one. 74 per cent of respondents think people should purchase an apartment as soon as they can afford it, whereas among respondents who rent an apartment 64 per cent answered they only rent an apartment because they cannot

afford one [21]. They note that the satisfaction level among apartment owners is higher [23]. In the Baltimore case apartment buyers and apartment tenants were observed and after a year and a half it was concluded that the satisfaction of apartment buyers is higher than the satisfaction of tenants [22]. In a further three-year study Rohe and Basalo [20] determined that even after a three-year ownership the owners of apartments are still more self-satisfied than the tenants. They defined this self-satisfaction as the combination of the general satisfaction with life, apartment and neighbourhood [21]. Kleinhans and Elsinga [13] conclude that there is a strong correlation between owning a home and the feeling of independence and self-satisfaction.

Physical factors, living environment factors and socioeconomic factors

Among physical factors we place: location, size, illumination with natural light, open view, calmness (not noisy housing unit), age facility, parking options, internet access and central heating.

In the analysis of existing and wanted housing units Psunder and Ferlan [19] concluded when respondents choosing a real estate location the key role play housing factors, mainly the proximity of buildings with social significance (kindergartens, schools, health centres etc.) and the transport infrastructure (parking). As the most important physical factors they identify calm (not noisy) housing unit, internet access, parking and the heating system. In analysing key factors, which influence the value of real estate, they assess that the key physical factor mentioned by the respondents is orientation or position of the housing unit. The latter can be linked to appropriate natural lightening. In the survey of the market in wood product (prefabricated houses) carried out in Japan, Cohen [2] establishes that among the most important physical factors when purchasing a house is access to natural light.

Among living environment factors we place: proximity of public transportation and traffic accessibility, proximity to kindergartens and schools, proximity to employment opportunity, proximity to shops, health centres and cultural centres.

Temeljotov Salaj [28] establishes the key influence of the factors, such as proximity to cultural institutes, health centres, schools and kindergartens, on the quality of built neighbourhood. Temeljotov Salaj and Zupancic [29] have conducted a survey and analysed the factors such as the location of residence in terms of age groups, urban equipment, poor infrastructure, well-being in the place of residence, size of buildings, age of buildings, equipment of buildings, proximity to work. The authors stated that the top priority expressed by the participants was related to investments into transport infrastructure, university establishments, new homes, youth homes, sports facilities and energy. Cohen [2] in his survey in Japan establishes that apart from the price the most important physical factors when purchasing a house is the proximity to railway station and the structural integrity. According to the Japanese Ministry of Land, Infrastructure, Transport and Tourism [17], the main three deciding factors are as follows: physical characteristics of the housing unit, transport infrastructure (proximity to public transportation and transport links) and neighbourhood safety. The influence of the proximity of public transport links on the residential property price in the region of Tokyo has been studied by Komai [14]. He noted that proximity to good public transport links impacts on the rise of the real estate price [14]. How significant is the mentioned factor for Japanese participants is also confirmed by the information that when in

2005 the high-speed rail network Tsukuba City – Tokyo was opened prices of the real estate in Tsukuba raised by 8.4 per cent [17].

Among socioeconomic factors we place: maintenance costs, good neighbourly relations, a sense of neighbourhood safety and sense of social security. Ursic [32] used the case of Savsko naselje in Ljubljana to study whether factors, such as age of settlement and poor maintenance and thus consequently worse quality of life in the settlement cause migration of a certain population group, increase social non-homogeneity and social instability. He established that in the near future a good fifth of inhabitants plans to relocate, these being in terms of age group mostly young inhabitants aged 40 and under. In analysing demographic characteristics of the group showing high potential housing mobility he stated that next to age there are two other factors, which stand out significantly, the income (joint monthly household income) and the level of education. He acknowledged that resettlement is also significantly affected by a housing status and a number of people in a household [32]. Trcek [31] analyses in greater detail factors such as age, quality of buildings and housing units, neighbourly relations and future preferences of the people surveyed. In terms of dissatisfaction regarding the characteristics of the neighbourhood, he establishes that the first place holds the issue of parking (60.2% of unsatisfied respondents) whereas high in the list is dissatisfaction with neighbourhood safety (52.7%) and neighbourly relations (56.9%). For Japan too is the factor of the neighbourhood safety among the most important socioeconomic factor, according to Cohen [2].

PROBLEM, HYPOTHESIS AND AIM OF SURVEY

The problem of survey is of multiple layers. The problem is to establish the participants' expectations level in terms of physical factors describing the real estate, than determine the participants' expectations level in terms of living environment factors and to define the participants' expectation level in terms of socioeconomic factors, according their country of origin, their age and according to satisfaction with their current residence status.

Subject to the hypothesis of the analysis, the differences in expressed expectations in terms of real estate factors describing the real estate according to (physical factors, living environment factors and socioeconomic factors), among Slovene and Japanese participants, according to their satisfactions with current real estate and their age, are statistically important.

In the analysis we follow the hypothesis defining that the observed differences in average accordance level considering the participants' expectation, in Slovenia and Japan, are statistically significant.

The fundamental objective is thus to determine factors that show significant difference. The subject of further researches is to subdivide established statistically significant differences, possible influence of the existing legislation on the field of real estates and to determine whether modern economic environment positively influences on the expressed level of the participants' expectations. To this purpose we use multivariate analysis and correlation analysis.

The applicable aim of the survey is to help plan a suitable real estate politics in a society, to help plan guidelines of the architectural-urban development and in the analyses of the most

economic use of space. According to Temeljotov Salaj [28], for urban analysis it is important to connect the global and local aspects, which reveal the comprehension of new urban concepts and consider social changes in terms of globalisation, development of informative and communicational technology, democratisation of the society, ecological awareness, energetic profitability and the change in the way of life and of patterns. By conducting several analyses of statistical data we can determine the key characteristics of built environment [8].

METHODOLOGY AND INSTRUMENT

The main instrument for measuring the participants' expectations is a questionnaire that we formed ourselves. Compiling the questionnaire is part of a wider survey which is being conducted in two cultural environments, in Slovenia and Japan. It is aimed at establishing factors which are decisive for potential real estate buyers when deciding to purchase real estate, at subdividing possible differences between mentioned expectations and current legislation in the area of real estate and at determining whether modern economic environment is positively linked to the expressed expectations [7]. In composing the questionnaire we took into consideration the guidelines according to Tarik [27] and used the questionnaire composed of three sets as the main instrument for measuring participants' expectations. The first set measures demographic factors, the second set measures participants' personal expectations and the third set measures participants' external expectations. The method of review based on the questionnaire [33] is used. Of the three main types of questions [11], open-ended, multiple-choice and rank ordering, the latter two types of questions were used. Participants answered to questions using the Likert scale, where the value 5 indicated they completely agree with a statement and the value 1 that they completely disagree with a given statement.

The study of the questionnaire was conducted in two phases [12]. In the first phase, we planned the creation of the questionnaire and determine the relevance metric characteristics of the questionnaire. To this end, we conducted a pilot study on an appropriate sample. The second phase was the central cross-type survey. We used a questionnaire designed in a pilot study. Statistical analysis of the first phase covering factor analysis of the questionnaire and analyze the reliability of the questionnaire (Cronbach-alpha) in the second phase, descriptive statistics and analysis of variance were used.

The data were collected via internet and via person correspondence (individually and collectively). The anonymity of the participants included in the survey was assured. The data were collected in 2010. Before entering data into the statistical program SPSS incorrectly completed questionnaires were removed. The number of these was 2.7 per cent of all collected surveys. 1006 Slovene participants and 264 Japanese participants took part in the survey.

Table 1 shows the structure of participants in terms of nationality, age, education, family status and number of children in a joint household, place of residence and satisfaction with the current residence status.

TABLE 1: Structure of participants

Nationality:	Number of participants	Percentage of participants
Slovene	1006	79.20%
Japanese	264	20.80%
Total	1270	100.00%
Age:		
Aged 20 to 29	604	47.60%
Aged 30 to 40	666	52.40%
Total	1270	100.00%
Education:		
Less than secondary school	10	0.80%
Secondary education	388	30.60%
Higher education	629	49.50%
Masters degree or more	243	19.10%
Total	1270	100.00%
Family status:		
Single	432	34.50%
Marital or non-marital partnership	821	65.50%
Total	1253	100.00%
Number of children in household:		
No children	684	54.60%
One child	186	14.90%
Two children	269	21.50%
Three children	98	7.80%
Four children or more	15	1.20%
Total	1252	100.00%
Personally you say you live:		
In the city centre	430	34.30%
On the city outskirts	453	36.20%
Densely populated rural settlement	240	19.20%
Dispersed rural settlement	116	9.30%
Elsewhere	14	1.10%
Total	1253	100.00%
Current residence status:		
Very dissatisfied	106	8.50%
Dissatisfied	129	10.40%
Medium	268	21.60%
Satisfied	371	29.90%
Very satisfied	366	29.50%
Total	1240	100.00%

Table 1 shows that there is a solid 20 per cent of Japanese participants of the total number of participants. The above mentioned is the result of obtaining Japanese participants, since the distribution of a questionnaire in public places is restricted (without the authorisation of a special ethics committee) In contrast to Slovene participants Japanese participants showed a great lack of confidence when asked to take part in on-line surveys.

In terms of education, most participants have a higher education (49.5 %), which is followed by a secondary education (30.6 %). In terms of the number of children in a joint household, the majority of participants is without children (54.6 %). The largest number of participants

lives on the city outskirts (36.2 %) or in the city centre (34.3 %). In terms of satisfaction most participants are satisfied with their current residence status (29.9 %).

RESULTS AND INTERPRETATION

We conducted multivariate analysis of variance regarding physical factors, living environment factors and socioeconomic factors which relate to a property.

Table 2 shows the expectations of participants which relate to physical factors in term of different cultural environment, age and satisfaction with their current residence status.

TABLE 2: The expectations which relate to physical factors in term of different age and different satisfaction with their current residence status for participants

Expectations - physical factors		Sum of Squares	df	Mean Square	F	P	Degree of agreement			
							Country	Satisfaction	20-30 years	31-40 years
natural light	***	29,175	4	7,294	5,628	,000	Slo	not medium very	3,35 3,55 3,82	3,52 3,42 3,79
							J	not medium very	5,00 4,25 3,88	3,75 3,75 4,10
calmness	*	16,778	4	4,195	3,174	,013	Slo	not medim very	3,18 3,50 3,73	3,37 3,40 3,73
							J	not medium very	5,00 3,50 3,88	5,00 4,50 4,35
age facility	***	41,313	4	10,328	7,565	,000	Slo	not medium very	3,02 3,21 3,47	3,24 3,02 3,58
							J	not medium very	3,25 3,25 3,67	4,75 3,25 3,00
parking options	*	19,242	4	4,810	2,932	,020	Slo	not medium very	3,25 3,49 3,64	3,54 3,21 3,70
							J	not medium very	3,25 2,75 6,92	3,25 1,75 3,30
internet access	***	36,841	4	9,210	6,767	,000	Slo	not medium very	3,90 4,09 4,17	3,62 3,55 4,03

							J	not	4,50	5,00
								medium	3,75	4,25
								very	4,04	3,15
central heating	***	58,363	4	14,591	10,940	,000	Slo	not	3,75	3,81
								medium	3,93	3,76
								very	4,19	4,03
							J	not	4,25	4,75
								medium	4,00	1,75
								very	3,67	2,75

* difference is statistically important (p<0.05)

** difference is statistically important (p<0.01)

*** difference is statistically important (p<0.001)

The statistically significant differences at level $p<0.05$ is shown in terms of the expectations to variable on calmness (quiet neighborhood) and parking options. Statistically significant differences at level $p<0.001$ is shown in terms of natural light, age facility, internet access and central heating.

According to results, Slovene participants who expressed high satisfaction with their current residence status, in comparison with Slovene participations who expressed lower satisfaction with their current residence status, show essentially higher expectations level in both age groups in terms of all physical factors. Japanese participations expressed the same pattern in term of calmness factor and parking options and in term of age facilities factor (for example, younger group expressed average rate 3.25 : 3.67). Inverse results can be seen for all other factors where Japanese participants who are not satisfied with the current state of housing reflecting significantly higher expectations (for example factor of natural light where is average rate for younger group 5.00 : 3.88). A particularly important role also plays the difference related to physical factors in terms of cultural affiliation. In general Slovene participants show lower expectations in terms of all physical factors than Japanese participants. This is particularly typical for younger participations (for example factor of natural light where is average rate for younger group 5.00 : 3.35).

Table 3 shows the expectations of participants which relate to living environment factors in term of different age, cultural environment, and satisfaction with their current residence status.

TABLE 3: The expectations which relate to living environment factors in term of different age and different satisfaction with their current residence for Slovene and Japanese participants

Expectations - living en. factors:		Sum of Squares	df	Mean Square	F	P	Degree of agreement			
							Country	Satisfaction	20-30 years	31-40 years
public accessibility	**	20,689	4	5,172	4,231	,002	Slo	not	3,04	3,19
								medium	3,42	3,25
								very	3,63	3,47
							J	not	3,75	4,75
								medium	5,00	4,00

								very	3,79	4,65
proximity to schools	***	49,591	4	12,398	9,276	,000	Slo	not	3,13	3,34
								medium	3,45	3,32
								very	3,70	3,43
							J	not	4,75	4,50
								medium	2,75	3,50
								very	3,63	4,35
proximity to employment opportunity	***	56,726	4	14,181	10,686	,000	Slo	not	2,91	3,01
								medium	3,29	2,92
								very	3,42	3,27
							J	not	5,00	4,75
								medium	3,25	2,75
								very	3,38	4,45

* difference is statistically important (p<0.05)

** difference is statistically important (p<0.01)

*** difference is statistically important (p<0.001)

The statistically significant differences at level p<0.01 is shown in terms of the expectations to public accessibility. Statistically significant differences at level p<0.001 is shown in terms of proximity to Schools and proximity to employment opportunity.

According to results, Slovene participants who expressed higher satisfaction with their current residence status, in comparison with Slovene participations who expressed lower satisfaction with their current residence status, show essentially higher expectations level in both age groups in terms of all living environment factors (for example factor of public accessibility has average rate 3.04 : 3.63 for younger group and 3.19 : 3.47 for older group). Inverse results can be seen for all living environment factors where Japanese participants who are not satisfied with the current state of housing reflecting significantly higher expectations (for example factor of proximity of employment opportunity has average rate for younger group 5.00 : 3.38 and for the older group 4.75 : 4.45). A particularly important role also plays the difference related to living environment factors in terms of cultural affiliation. Slovene participants show lower expectations in terms of all living environment factors than Japanese participants. This is particularly typical for younger participations (for example factor of natural light where is average rate for younger group 5.00 : 3.35).

Table 4 shows the expectations of participants which relate to socioeconomic factors factors in term of different age, cultural environment, and satisfaction with their current residence status.

TABLE 4: The expectations which relate to socioeconomic factors in term of different age and different satisfaction with their current residence status for Slovene and Japanese participants

Expectations - socioeconomic factors:		df	F	P	Degree of agreement			
					Country	Satisfaciton	20-30 years	31-40 years
neighbourhood safety	*	4	2,745	,027	Slo	not	3,21	3,63

						medium very	3,68 3,85	3,34 3,77
					J	not medium very	4,00 3,50 3,67	3,25 3,50 3,35
social security	**	4	3,888	,004	Slo	not medium very	2,87 3,37 3,48	3,21 3,03 3,40
					J	not medium very	3,75 3,00 2,67	3,25 3,50 2,45
suitable economic status	***	4	8,081	,000	Slo	not medium very	2,99 3,38 3,67	3,21 3,13 3,56
					J	not medium very	3,25 3,25 3,00	4,25 3,50 2,75

* difference is statistically important (p<0.05)

** difference is statistically important (p<0.01)

*** difference is statistically important (p<0.001)

The statistically significant differences at level $p<0.05$ is shown in terms of the expectations to neighbourhood safety. Statistically significant differences at level $p<0.01$ is shown in terms of social security. Statistically significant differences at level $p<0.001$ is shown in terms of suitable economic status.

According to results, Slovene participants who expressed higher satisfaction with their current residence status, in comparison with Slovene participations who expressed lower satisfaction with their current residence status, show essentially higher expectations level in both age groups in terms of all socioeconomic factors (for example factor of neighbourhood safety has average rate 3.21 : 3.85 for younger group and 3.63 : 3.77 for older group). Inverse results can be seen for all socioeconomic factors where Japanese participants who are not satisfied with the current state of housing reflecting significantly higher expectations (for example factor of social security has average rate for younger group 3.75 : 2.67 and for the older group 3.25 : 3.40). A particularly important role also plays the difference related to socioeconomic factors in terms of cultural affiliation. Slovenian participants who expressed high satisfaction with their current residence status, expressed higher expectations in terms of all socioeconomic factors than Japanese participants. Opposite, Slovenian participants who expressed low satisfaction with their current residence status expressed lower expectations in terms of all socioeconomic factors than Japanese participants. This is particularly for younger participations (for example factor of neighborhood safety has average rate 3.21: 4.00).

In general younger group (20 – 30 years) of Slovene participants in comparison with Japanese participations showed a lower expectation level with the following factors: physical factors (especially factor of natural light) and living environment factors (specially factor of public accessibility). They show however less expectation about the age of a building and the age of the neighbourhood. We explain this with the findings by Ishikawa ([6] who establishes that as much as 50 per cent of Japanese tenants are dissatisfied with the age of buildings and the

neighbourhood. Our results also show the strong correlation between the age of the building and maintenance costs (0.551) and the neighbourhood's age and maintenance costs (0.437). In analysing key factors, which influence the value of real estates, Psunder and Ferlan [19] assess that the key physical factor mentioned by the respondents is orientation or position of a housing unit. The latter can be compared to the presence of natural lightning and an open view, which is said by the participants to also play a significantly important role. Especially young Japanese participations expressed high expectations according to natural light. Cohen [2] also concludes that when purchasing real estate key factors are access to natural light and transport structure, where organised parking is also included. It has also been confirmed by our results that transport infrastructure is important for the satisfaction of Japanese participants. Even Trcek [31] establishes a high level of participants' satisfaction in terms of location, size, brightness (light) and internet access. According to Trcek [31], participants show the highest dissatisfaction level in terms of the quality of construction, which can be related to a lower participants' satisfaction in terms of age of a building and neighbourhood. The results among living environment factors highly express expectation in terms of proximity of public transportation and transport links. According to the survey on priorities when choosing a housing unit, conducted by the Japanese Ministry of Land, Infrastructure, Transport and Tourism [17], it has been established that three deciding factors play a significantly important role among respondents: among physical characteristics of a housing unit this factor is the size of a housing unit (34.9%), among housing factors is transport structure (25.9%) and among socioeconomic factors is a sense of security in the neighbourhood (6.6%).

Participants also show a high expectation level with living environment factors. The highest expectation level was shown by the proximity to kindergartens and schools (younger Slovene participations) and by transport links (older Japanese participations). Similar conclusions were also reached by Trcek [31] who asserts that respondents are highly satisfied with public transportation, appropriate organisational structure of transport in the neighbourhood, condition of roads and paths, proximity to kindergartens and schools, proximity to shops, building maintenance, calmness of the neighbourhood, good neighbourly relations and security in the neighbourhood. When studying how factors influence the value of real estates, Psunder in Ferlan [19] also established that almost one tenth of the respondents place the proximity of buildings, such as schools, kindergartens and shops among key factors. When considering socioeconomic factors, Slovene participants show a high expectation level in terms of sense of security and a low level in term of suitable economic status. Trcek [31] acknowledges that the sense of security in a neighbourhood is the main factor and shows the highest value in respondents' answers to the following question: What represents the quality of life in an urban environment for the respondents? Similar, somewhat lower values he establishes with good neighbourly relations [31].

According to the comparison of results, Slovene participants express lower expectations in all real estate factors where statistically important difference can be seen (particularly young). This may explain, according to The Development and Research Project - Housing Survey [16], subject to several indicators estimates that 28 per cent of households have inappropriate housing conditions. The survey also shows that according to the housing survey an average surface per person is 32.98 m², which is 1.19 of room per person and that 39 per cent of households in Slovenia has less than a room per person. In the European housing statistics this is treated as overpopulation. The survey also revealed other important factors, such as excessive operating costs, poor or old installation, poor infrastructure [16].

Ursic [32] states that the percentage of households that intend to relocate is often higher than the percentage of households which are displeased with their housing units. He also states that residents' efforts to reach a better housing status often come second after the necessity or need for a home, which in short term enables some advantages. The above can explain the participants' highly expressed satisfaction with their current housing status but on the other hand means simultaneously planning to purchase a new housing unit.

Slovene participations have obviously lower expectation than Japanese, which is probably subject to purchasing power and currently economic situation in the country. That is particularly reflected in the younger participants, who are dissatisfied by current housing status. Opposite Japanese participations have obviously higher expectation than Slovene, which is probably due to the optimistic mood and high confidence in the country, better purchasing power and better currently economic situation in the country. Wong and Hui [34] link personal expectations to potential acquirers of real estate rights, investors and owners who expect high (low) returns in the future when market grows (falls). They also have too high (too low) expectations regarding the rise (fall) in prices when expecting the future rise (fall) of prices on the market. They link participants' external expectations to the change of market prices and regulatory measures of the country. They note that particularly in times of expected rise in prices the country encourages investments and ownership through regulatory measures, whereas banks provide favourable loans. Factors of external expectations thus mainly include factors describing housing and tax legislation, regulatory measures and economic situation on the real estate market.

Our study reveals three levers that explain low expectations expressed by Slovenian participants: first, currently bad economic situation in the country, disposable income, which in turn means poor housing affordability, secondly, random property records and timeliness of the land register, further still unresolved issue of denationalization, harder to sell to foreigners, and consequently difficult lending policy of the country and, thirdly, inadequate or insufficient action in relation to the deterioration in the labor market and the housing market. Slovenia is due to rising unemployment strengthen the implementation of employment programs reinforce, Japan has adopted stimulus measures in the form of financial interventions. Japanese researchers [34] found that 95 per cent of participants consider that when deciding on purchasing a home important factors are such as economic status, interest rate and family income, almost entirely are ignoring the issue of unemployment. The higher expectations that Japanese participants show regarding almost all real estate factors can be explained by the efforts of the Japanese government, which introduced more changes to help revive the economy and resolve the problems that borrowers of housing loans face. According to Forrest et al. [5], these measures included lowering the standard interest rate and increasing the maximum amount of loans for new purchases or home renovation. Simultaneously, they extended the time limit for loan repayments from three to ten years for the most at risk group. Unfavourable economic trends in 2008 changed economic activities in both countries. This affected the labour market and in comparison to the year 2007 some substantial changes in wage movements were observed [10]. To the increasing of unemployment rate Slovenia reacted by strengthening the implementation of active employment policy programs [10]. In the other hand, affordability of apartments measured according to internationally established limit, where the housing costs should not exceed 30-per-cent level of household's disposable income, is diverse in both compared countries. According to the data published by the Statistical Office of the Republic of Slovenia [26], the sum of the housing costs exceeded the 30 per cent of Slovenia's household's disposable income as early as in 2005 with 30.8%, 31.3% in 2006 and 31.8% in 2007. According to the data by the Official Statistic of Japan

[18], this proportion in Japan is significantly more favourable ranging from 17.6% in 2001 to slightly less than 18% in 2008. For the Slovene housing policy relatively low affordability of privately owned apartments is therefore typical which means that the Slovene policy is not too successful in ensuring apartments for affordable prices [1].

It is interesting though that compared to Japanese participants, Slovene participants show a higher satisfaction level regarding the real estate in which they live and at the same time lower expectations than Japanese participants regarding practically all real estate factors. We explain this with the survey results establishing that less than one third (32%) of Slovene participants is willing to give up certain key factors on account of a lower real estate price [19].

We explain the difference between the expressed satisfaction level among Slovene and Japanese participants in terms of real estate factors related to the real estate in which they live with findings of the surveys conducted by Rohe and associates [20] [21] [22] [23]. They studied social advantages of apartment owners and established that apartment owners compared to tenants express higher satisfaction with their living environment, are socially more active in their living environment, relocate less often and contribute more to social stability of the neighbourhood. From this we can conclude that a high percentage of owner-occupied apartments positively influences the expressed satisfaction of participants (apartment ownership rate in Slovenia is 80% and in Japan it is 60%).

CONCLUSION

In the article we are studying the participants' expectations when buying a new property, according to their satisfaction with their current residence status, according to their age and different cultures, comparing Slovenia and Japan. We would like to establish whether Slovene and Japanese participants regarding the ethnic origin, age and satisfaction with their current residence status express statistically essential differences considering the expectation with real estate physical factors, living environment factors and socioeconomic factors. We follow the hypothesis defining that the differences in personal expectations and expressed satisfaction of potential acquirers of real estate rights according to real estate factors and different cultural identity (Slovenia, Japan) are statistically significant. Here, among physical factors we place: location, size, brightness of a housing unit with natural light, open view, calmness (not noisy housing unit), age, parking options, internet access and central heating. Among living factors we place: proximity of public transportation, transport accessibility, proximity to kindergartens and schools, proximity to employment options, proximity to shops, health centres and cultural institutions. Among socioeconomic factors we place: maintenance costs, good neighbourly relations, suitable economic status and a sense of security.

As the main instrument for measuring the participants' expectations we used a questionnaire that we formed within a broader survey conducted in Slovenia and Japan. It is aimed at establishing factors which essentially influence on the potential acquirers of housing real estate rights when deciding to purchase real estate. By using the questionnaire we obtained reliable information, which we statistically analyzed. We conducted multivariate analysis analyses of variance regarding the participants' different nationality, age and satisfaction with their current residence status. By analyzing the results of statistical analyses, we confirmed the basic hypothesis that the differences in expressed expectation in terms of real estate

factors describing the real estate (physical factors, living environment factors and socioeconomic factors), among Slovene and Japanese participants are statistically important.

According to results, Slovene participants expressed higher satisfaction with their current residence status (about real estate factor), in comparison with Japan participations who expressed higher expectations about real estate factor. The results of some other researches show that apartment owners compared to tenants express higher satisfaction with their apartment and living environment are socially more active in their living environment, relocate less often and contribute more to social stability of the neighbourhood. Therefore we conclude that a high percentage of owner-occupied apartments positively influences the expressed participants' satisfaction (apartment ownership rate in Slovenia is 80% and in Japan it is 60%). We must also take into consideration that in Slovenia the majority of population addressed their housing problems a while ago and largely during the years when conditions were much more favourable. It is interesting though that compared to Japanese participants Slovene participants show at the same time lower expectations in terms of real estate factors. We explain this with the finding that less than one third of Slovene participants are willing to give up certain key factors on account of a lower real estate price.

According to results, Slovene participants who expressed high satisfaction with their current residence status, show essentially higher expectations level in both age groups in terms of all physical factors in comparison with Slovene participations who expressed lower satisfaction with their current residence status. Japanese participations expressed the same pattern in term of calmness factor and parking options and in term of age facilities factor. Inverse results can be seen for all other factors where Japanese participants who are not satisfied with the current state of housing reflecting significantly higher expectations. A particularly important role also plays the difference related to physical factors in terms of cultural affiliation. Slovene participants show lower expectations in terms of all physical factors than Japanese participants. That is particularly reflected in the younger participants, who are dissatisfied by current housing status, which is probably subject to purchasing power and currently economic situation in the country. Opposite Japanese participations have obviously higher expectation, which is probably due to the optimistic mood and high confidence in the country, better purchasing power and better currently economic situation. In general younger group (20 – 30 years) of Slovene participants in comparison with Japanese participations showed a very low expectation level with the following factors: physical factors (especially factor of natural light) and living environment factors (especially factor of public accessibility). They show however less expectation about the age of a building and the age of the neighbourhood.

According to results, Slovene participants who expressed high satisfaction with their current residence status show essentially higher expectations level in both age groups in terms of all socioeconomic factors in comparison with Slovene participations who expressed lower satisfaction with their current residence status. Inverse results can be seen for all socioeconomic factors where Japanese participants who are not satisfied with the current state of housing reflecting significantly higher expectations. A particularly important role also plays the difference related to socioeconomic factors in terms of cultural affiliation. Slovenian participants who expressed high satisfaction with their current residence status, expressed higher expectations in terms of all socioeconomic factors than Japanese participants. Opposite, Slovenian participants who expressed low satisfaction with their current residence status expressed lower expectations in terms of all socioeconomic factors than Japanese participants. This is particularly typical for younger participations.

We explain the difference between expressed expectation level between Slovene and Japanese participants regarding real estate factors, by findings arising from several researches. We explain the difference by establishing the difference in the level of economic situation, disposable income, poor housing affordability and inadequate or insufficient action in relation to the deterioration in the labor market and the housing market, which is more pronounced in Slovenia. Results show compared to Slovene participants Japanese participants show substantially higher expectations about real estate factors, which could be in correlations with various successful housing policy and consequently different accessibility of apartments. Relatively low affordability of privately owned apartments is typical for the Slovene housing policy, which means that Slovene policy is relatively unsuccessful in ensuring apartments for affordable prices. Problems can be attributed to the unresolved issue of denationalisation, difficult real estate sales to foreigners, problems with entries and their updates into the land register data, which in turn also affects the lending policy of the country.

We believed that three main levers explaining low expectations expressed by Slovene participants: first, high ratio between housing costs and available income in household, hence low affordability of apartments; second, disorganised records system of real property and non-updated land register, hence vague amount of the incoming real property tax, then the still unresolved problem of denationalisation, difficulties in selling real property to foreigners and in the lending policy of the country; and third, inappropriate or insufficient measures as to the deteriorating situation on the labour and real property markets. Due to the increased unemployment rate, Slovenia strengthened the implementation of employment programs and Japan adopted a stimulating measure in form of financial intervention. Japanese researchers concluded that as much as 95% of participants believe that when deciding to purchase an apartment the key factors for making the decision are economic situation, interest rate and family income but they almost completely ignored the unemployment rate issue. This is why it is not surprising that the measures which were taken by the Japanese government, which included lowering standard annual interest rate, increasing the maximum amount of loan for new purchases or home renovation and simultaneously extending the time limit for loan repayments from three to ten years for the most at risk group, lead to higher confidence of potential acquirers of real property rights as to expectations of real estate factors.

With this we attained the essential aim of the research and determined real estate factors, which show statistically important differences with reference to different cultural environments, Slovenia and Japan. The subject of further surveys is to break down established statistically significant differences, possible influence of the existing legislation on the field of real estates and to determine whether modern economic environment positively influences on the expressed participants' expectation level.

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