

Bulgarian Mortgages now available

If you are requiring finance to purchase your overseas property, then a company called Conti Financial Services - Licensed Credit Broker, with over 20 years experience in the market, could well assist you. By using the Bulgarian property as security a Repayment mortgage could be raised, depending on individual requirements. Based on the valuation or purchase price, whichever is the lower of the two, of the Bulgarian residential property, applicants can borrow up to 70% for purchases and re-

mortgages for Home Improvements. In most cases if the property is an apartment being built Off Plan, funds are not forthcoming until completion and the apartment has been legally registered in your name. The same will also apply for a new house/villa, however, if the land is already purchased and registered in either your name or a Bulgarian Company owned by you, the possibility of Stage Payments may be available on a drawdown basis to construct the property.

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT. BE SURE YOU CAN AFFORD THE REPAYMENTS BEFORE ENTERING INTO ANY CREDIT AGREEMENT.

Construction of a "Business Park" in Varna.

The construction of a "Business Park" in Varna should begin by the end of 2005. It will be built on the same basis as the "Business Park" Sofia, the project will be located in the close proximity of Varna airport. The interest of the Shareholders Association building the project is directed to construction on their own ground near Varna because there is not a suitable building for their requirements in the city, also the central part of Varna doesn't permit this type of construction either, the director of the Shareholders' Association announced.

"Business Park" Varna will be situated on a plot of land of 63 000 sq.m. The project stipulates the construction of 7 to 9 multi-functional buildings each

of them with a built-up area of 5000 to 10000 sq.m. Industrial premises and warehouse are provided for construction in the area.

The construction of "Business Park" Varna has caused an increase in agricultural land prices in the Varna airport area, a four-fold price increase occurred after the news of the building was notified, stated the President of the Real Estate Association of Varna. Many investors expressed an interest, not only Bulgarian but also foreign developers perceived the significance of the "Business Park" Varna and want to invest in this area. This will affirm Varna city as a very important business center in Bulgaria and the whole Balkan Peninsula.

Foreign Investment framework

The regulations pertaining to foreigners are embodied into the key priorities of Bulgaria's Foreign policies relating to integration into NATO and the EU targeted for 1st January 2007. In this light the most notable achievements are:

- The adoption of International Accounting standards, already compulsory for financial institutions since 2003, will come into force for all other companies in 2005.
- The opportunity to avoid double taxation for capital gains and dividends earned in Bulgaria, providing the home country of the legal entity or person has a signed agreement for avoiding double taxation.
- The gradual adoption of EU tax requirements and legislation procedures
- That during the last 2 years the investment environment has been improved through the reductions in corporate taxation.
- Another incentive is the stability of the national currency, the Leva, a key factor being its fixed rate against the Euro.

The positive results here could be reviewed in the context of the Bulgarian long term objective of EU membership and as the exchange rate is fixed against the Euro and the economy is open domestic inflation should vary at levels close to those in the EU zone.

National Insurance is another "window of opportunity" allowing foreign nationals to avoid regular payments in their own country. This is achievable in cases where they are not employees on a labour contract, but are self-employed entities. The registration of a company and consequently senior position are required, something that is automatic for purchasers of land and houses, so long as regular stipulated payments are made to the local government department.

Changes are expected in the laws in regard to land purchase, which is currently a lengthy process, and requires further changes in some basic laws. As market needs are outlined and the incredible interest from abroad continues the basic steps leading to abolition of current property ownership regulations, namely the registration of a company, are in the process of approval, but are not expected to be passed by the government prior to 2007, when EU membership is achieved. This should result in a increase of investment by both individuals and companies into property ownership in Bulgaria leading to increasing prices and profit margins for those purchasing now.