

Property investments are considered one of the most valuable assets in any part of the world. The advantage is that real estate investment has appreciated in value over time. Those looking for opportunities in the property market in Bulgaria tend to be guided to off-plan purchases, due to the fact that the buyer is able to secure a property with a 10 to 30 per cent deposit and allocate the balance of the project through installment payments over 8 to 12 months until completion. This enables the buyer to gain capital growth on the full value of the property while only placing 10/30 per cent of the value invested (at the first stage). Thus, the investors put down a deposit on one or several apartments/villas, before or at the beginning of the construction, pay around 10/30 per cent of the price, generate the required balance of the investment over a year and then attempt to realize

Off-Plan Opportunities

a quick return through re-selling them upon completion. There are several challenges arising from this:

1. Efficient allocation of the cash flows, as the total cost has not been placed at the beginning of the project, but allocated in a certain time-frame.
2. Opportunities to sell the finished unit at a profitable, and at the same time competitive price level, so long as the market value of the newly-built real estate is attractive and there are further increases up to the European levels.
3. Newly built real estates imply better infrastructure and services related to the new rules introduced recently. In the same context, the quality of construction

in Bulgaria has improved considerably and the related authorization of property development is governed by a new level of control. Apart from this, construction technologies have advanced and the materials have been improved. According to the statistics, the volume of construction has doubled through the last year. In 2004, the foundation of some 5,780 housing and 440 administrative buildings were laid. This boom in green-field investment is seen as a result of the country's economic stability over the past few years and also the forthcoming accession to the European Union.

4. Opportunity to adjust and rearrange the key factors –like location, quality of design, quality of construction and facilities – to the desired preferences which

will influence the value of the finished product, so the final scope of return will hopefully match your criteria.

5. The challenge of purchasing something you have seen on a blueprint rather than buying a building when construction has been completed.

In general, off-plan purchase attracts people tending to own multiple properties and as a green-field investment it is more affordable and flexible option of generating-allocating-return of investment, so long as when the time to sale comes the market place does not suffer an over-supply situation. Certainly, the strong economy and stability of the country is a major factor when looking to invest in the Bulgarian real estate market and currently levels of return are high.

A LETTER from the EDITOR

Welcome Readers both Old and New. Summer has arrived here in Bulgaria and I have already had my first strawberries and cherries of the season, and very nice they were, picked and eaten with-in the hour they really do taste of real food. Talking of food has everyone noticed how almost all food here has real flavour and I believe this is because what we are eating is both fresh and organic produce, fish and meats. Trying to obtain this in the UK, unless you are prepared to pay the considerably higher extra costs involved, is becoming more and more difficult and yet the normal thing in Bulgaria, strange isn't it how in the UK we have lost sight of the most basic things. I have also noticed how almost everybody here grows and preserves their own fruits and vegetables, I have tasted incredibly good jams here made from home grown fruit, and pre-



served vegetables that have lost none of their original flavours, in fact some flavours are even more concentrated than when they are fresh. If you are going to cook rather than eat out you really should get away from the

supermarkets and go to the local markets, where the produce on offer is usually sold direct by the grower, and also try the organic honey at the bee keepers stalls, this has not been put through the usual manufacturing

process and brings back memories of balmy summer days. I am also a regular visitor at the many flower stalls in Varna city where the variety and presentation of the flowers is equal to anywhere else in the world, and gentlemen I can assure you it may be clichéd but giving your favourite ladies (the plural is entirely intentional) fresh flowers still works, and is something I personally do on a regular basis as the gesture brings a lot of pleasure and having fresh flowers in the house stimulates the senses. So wishing everyone a happy and sun filled month until the next issue and reminding you that if there are any subjects you want to air in print phone us or call into our offices and we will try to help.

Yours Ron Whitworth – Judd
chief nuisance
to the real workers