

Index

MWelcome to the Online Issue of the Black Sea Gazette.....	page 1
Real Estate Environment.....	page 2
Costs.....	page 4
Residence in Bulgaria	page 4
In at the Deep End.....	page 5
Foreign Investments.....	page 5
Bulgaria's Newest Mobile Operator.....	page 6
Property Investments	page 6
Black Sea Coast Annual Weather Forecast	page 7
Business Climate	page 7
Free Advertising Can it be True.....	page 7
Christmas in Bulgaria.....	page 8
Christmas Dishes Recipes.....	page 8
BG Facts.....	page 9
Tax Issues	page 10
Investing Off-Plan	page 11
Editor's Letter	page 11
Burgas Information Page	page 12
Varna Information Page.....	page 13
Properties for Sale.....	page 14
Who is the Notary?.....	page 15
When Buying a Property	page 15
The Documents.....	page 15
Frequently Asked Questions	page 16
The Bulgarian Alphabet.....	page 16
Bulgarian Useful Words and Phrases	page 16
Veliko Tarnovo	page 17
Classifieds	page 18
Property Management Page	page 19
Setting up a Company	page 20
UK Helping Hand.....	page 21
Bulgarian History Lesson.....	page 21
A 20 Year Old Project	page 22
Property, Your Best Bank.....	page 23
Property Management	page 23
Golf Courses	page 24

Real Estate Environment

Everyone is into real estate in Bulgaria these days, with the market reaching incredible heights in 2004, boosted by foreign interest and the increased purchasing power of Bulgarians (due to increased availability of mortgage loans). Hundreds of agencies have sprung up, not just in the big cities but in the resorts, too. Some just have a website and appeal straight to the foreigners – mostly Brits and Irish – who are keen to invest in cheap Bulgarian property, often with the aim of using it themselves as a holiday home but also as a good means of investment.

The expectation that Bulgarian real estate will continue to rise until the country's EU entry in January 2007 helps keep the market buoyant.

It's not simply foreign interest that has bumped up real estate prices – as the Bulgarian economy becomes stronger so people have disposable income with which to buy property, and the mortgage boom over the last couple of years has meant that even those without savings can buy a first or second home. Although interest rates are still high here – around 10% (though some banks advertise lower rates) – people are usually eager to borrow such money as it is their only means of acquiring a property. But if you, as a foreign national, are eligible for a mortgage in your own country then you would be advised to do it there. Interest rates in Bulgaria are predicted to drop eventually but the International Monetary Fund has been pressurising the Bulgarian National Bank to put the brakes on lending money, which means banks will be cautious about lowering rates for the next few years.

According to official statistics for the year 2005 property prices in Bulgaria have increased by more than 25 % in general, and some by 50 %, especially those in Sofia (the capital of Bulgaria),

in the Black Sea beach resort of Sunny Beach and apartments in the ski resorts of Borovets and Bansko. In spite of that considerable rise, prices are still relatively low for foreigners and by EU standards.

These are just some of the reasons for the large quantity of real estate agencies on the Bulgarian market; another common stimulus is that it is not properly regulated. In fact you don't even need a licence to operate as an estate agency, which leaves the door wide open for various rip-off merchants to practise their trade. That is why it is very common to hear about poor levels of real estate services in Bulgaria; cases of which are also quoted for some expat-owned agencies, perhaps unable to cope with the bureaucracy and complicated requirements of the law. So if you are buying from abroad do some thorough research on the many sites available – take a look at the photos of houses, get a good idea of price ranges and check out where is a good place to buy.

But above all do not forget that Bulgaria is considered one of the fastest growing tourism markets in Europe, and with the constantly rising prices of real estate, the improved economic conditions and the political and social stability in the country for the past few years, buying a property in Bulgaria still sounds like one of the best investments to be made these days.

We can all agree that there are still bargains to be had here, and if you are looking for the investment of a lifetime it may as well be hidden in the colourful coastal area or the calm quietness of the mountains, the greenness of the vast valleys or the blueness of the rivers and the sea. You'll find it all here in Bulgaria.