

THE SOFIA ECHO

PROPERTY FOCUS: British interest in Bulgaria goes up

09:00 Mon 12 Feb 2007

Over the period of one week, two British print media published articles saying that Bulgaria's real estate sector was among the most attractive in Europe.

On February 7, the Guardian reported that Bulgaria, together with Poland, Estonia and Denmark, was among the European Union countries with a steady increase in property prices in 2006. The Guardian quoted a survey done by the Royal Institution of Chartered Surveyors, which analysed price growth in 26 European countries.

On February 5, the magazine A Place in the Sun reported that Bulgaria was the third most-popular country for investments in real estate in Europe. Bulgaria was outranked only by Spain and France. Well-established locations started to lose their market share at the expense of new destinations like Bulgaria, Dubai and Cape Verde. In such untrodden locations, prices for real estate were much lower, especially given the rising prices and interest rates in Great Britain, the magazine said. Turkey, Cyprus, Greece and Portugal were also among the top 10. However, as a result of the oversupply of real estate in some parts of Bulgaria, prices in this country would probably remain relatively low, the magazine said.

In view of this, two reports in the news about a 235 million euro British investment in Bulgaria did not come as a surprise. At the beginning of the month, Bulgarian Land Development (BLD), a London-listed Bulgarian property developer, said it would invest in five residential projects in Bulgaria, worth a total of 235 million euro. The developments are in the Black Sea resorts Albena and Sozopol, the winter resorts Pamporovo and Bansko, and Sofia, BLD managing director Hristo Iliev said.

The Harmony Hills apartment complex near Albena will include 202 apartments. Buyers have reserved 75 of the flats and signed preliminary contracts for the purchase of 53 flats, evidence of the interest shown by British clients. Construction on the Harmony Hills complex is expected to kick off in February and to be completed in 15 months. According to Iliev, all apartments in the Paradise View complex near Sozopol have been reserved. BLD developments in Sozopol, Pamporovo and Bansko feature a total of 149 apartments, as BDL bought the three projects in October 2006 for 6.8 mln euro (\$8.8 mln euro).

The company's fifth project, BLD Sofia Tower, is a luxury apartment building where flats are selling at 3000 euro a sq m.