

Sofia's Costliest Residential Area Sports EUR 2,000/m²

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The area around the Doctor's Garden in downtown Sofia retains its lead as the most expensive location in the capital, followed by the prestigious Iztok neighbourhood, a survey shows.

After a decrease in the second half of 2006, Doctor's Garden saw a 19% increase in average asking sales prices in the first half of 2007 and is now just below EUR 2,000/m², according to a market overview of leading real estate company Colliers International Bulgaria.

Iztok saw an impressive 51% increase in average asking sales prices year-on-year by the end of June 2007, making it the second most expensive residential area in the city (over EUR 1,400/m²).

Other more established areas, such as Ivan Vazov and Lozenetz, saw solid double-digit growth levels in the first half of 2007 with an increase in average asking sales prices of 11% (close to EUR 1,400/m²) and 19% (up to EUR 1,200/m²) respectively.

Besides the top 4 most expensive locations, neighborhoods in the southern part of Sofia with a concentration of new construction middle and upper-middle class apartments like Manastirski Livadi, Bukston, Vitosha, Krastova Vada and Gotze Delchev, are also experiencing increases in average prices.

The supply of residential properties continues to increase at a steady pace, and the focus remains on planned communities and compound developments. This type of construction is mainly located in Malinova Dolina, Kambanite, Simeonovo, Dragalevtzi and Krastova Vada, but due to increasing land prices, new supply of housing compounds is moving further away from the city.

Rental rates increased only marginally compared to sales prices. In all areas rents range between EUR 3.5-4/ m² for lower quality apartments with dated furnishing and EUR 15-20/m² for new properties with luxurious finishes, designer furniture and ample amenities, according to Colliers market overview.