



7 September 2007 | 11:08 +0300

 Finance | Banks

### **Real estate prices on the twofold rise beyond projections**

7 September 2007 | 03:01 | FOCUS News Agency

**Sofia.** The average asking sales prices in emerging neighborhoods in the southern part of Sofia are reaching for the EUR 1,000/m<sup>2</sup> mark shows the latest research findings from Colliers International. The more established areas such as Doctor's Garden, 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 19%, 11% and 19% respectively. After a decrease in second half of 2006, Doctors Garden compensated in 2007 and is now just below EUR 2,000/m<sup>2</sup>. Iztok saw an impressive 51% increase in average asking sales prices year-on-year by the end of June 2007.

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, Kampanite, 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. Levels vary substantially even within the same neighborhood, depending on location and surroundings, quality, amenities and furnishing shows Colliers Residential Market Overview.

So far 6 banks have announced increases in their mortgage lending interest rates – UniCredit Bulbank, DSK Bank, Raiffeisenbank, United Bulgarian Bank (UBB), FIBank and Postbank.