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Don'ts and Do's

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Don'ts

This story begins like this: a "middle aged, overweight, bespectacled Brit", looking for a place to invest his life savings finds a real estate company on the internet offering properties in Bulgaria. The rush of Britons and Irish to buy properties in the country in the past several years is well known and scarcely worth commenting on. So, the Briton in question, J.J., contacts the company in October 2007, arrives in Bulgaria, sees the property and decides to buy it.

So far, so good. If it were not for the company beating about the bush, as J.J. wrote to The Sofia Echo in a letter. He was told that many people were interested in the property and to secure purchase he had to pay 1000 leva in cash immediately to the real estate agency representative, 10 per cent of the property price plus charges and the rest of the sum within a week to the account of the company's lawyer. So he did.

And he ended up paying more than 65 000 euro. In April 2008, the company's lawyer called J.J. because there was a problem with some "criminals" trying to sell the property to another person at the same time J.J. was supposedly buying it. The company showed J.J. another property, an apartment in Varna, which he liked. The deal was to be closed by June 2008 but then it turned out that an extra month was needed for the apartment to be finished because there was no electricity and water. In July, J.J. arrived in Bulgaria, ready to move in. This time it was other Britons who killed his enthusiasm, he said. Some compatriots, living near J.J.'s new apartment, told him that nothing had been done on the property because the constructor had no money left to finish the project.

At that point J.J. decided to drop the whole thing and demand his money back. In vain.

"Once they have your money – they have achieved their aim. Any property purchase will now experience an interminable set of "problems" [...] E-mails are now ignored, phone calls blocked. You arrange meetings with the lawyer. Meetings are confirmed. At the last moment, he cannot be contacted / is unable to attend. Anything to create delay / waste your time and money," J.J.'s letter said.

On August 11 in a desperate attempt to defend his rights, J.J. arranged with friends a demonstration in front of the company's office. "I used a megaphone to demand the return of my money," he said. Eventually, he was arrested and charged with assault in Bourgas but there was no trace of his money.

J.J. has no sale-trade contract because "he didn't agree to buy anything," he told The Sofia Echo. He only had an errand agreement.

After J.J. told The Sofia Echo his story, other foreigners also contacted the newspaper. "We have had dealings with this company," J.D. wrote in a letter. "We were in Bulgaria at the end of January 2007, and saw a property that we liked. We then paid them the money and the deal was supposed to complete on March 15 2007. They said there was a problem with the land, which was completely untrue, and they maintained this deceit until they were forced to complete in early March this year." J.D. said that the company, mentioned by J.J, contacted the vendor, shortly after he paid them all the money and told him that he was not interested in the property. "They then approached him in June/July, shortly before we were coming to Bulgaria, and gave him 200 leva. He then heard no more from them, again despite what they say in their emails, until after we spoke to him (and contacted them) during a further visit to Bulgaria in January of this year," J.D. said.

The Sofia Echo contacted the fraud squad in Bourgas to ask about the company in question. It turned out that police had indeed received tip-offs about the company. "I want you to understand me correctly, this is not an investigation but tip-offs about unsettled relations between clients and the company in question," the police representative told The Sofia Echo. "There are three inquiries officially launched by the prosecution. One of them had led to a pre-trial investigation.[...] The tip-offs

had been received over the past two years and this is the only information I can give you,” the police official said, leaving the whole saga entirely in the hands of Bulgaria’s judiciary.



Do’s

J.J and J.D. are hardly the only foreigners to fall victim to property scams in Bulgaria. That is why The Sofia Echo contacted Valentin Stoyanov, lawyer for one of the major real estate companies in the market, Yavlena, to clarify procedures on property buying.

“Picking a real estate company is very important because you need a company to take care of the entire procedure. Clients should look for a longstanding agency on the market, which in the Bulgarian case is 10-15 years because it is a young market,” Stoyanov said. The fact that a company has operated for 10-15 years on the market is a guarantee of quality. Such an agency would want to preserve its image and wouldn’t let its clients down,” he said.

“There are companies founded overnight just to be mediators between UK and Irish clients and property sellers. They lack know-how, neither do they know the market or want to know it.”

It is also important to check whether the agency is a member of international and Bulgarian organisations. This guarantees quality.

Step two is the brokerage contract. It is extremely important because it settles the type of property the client wants, the commission for the agency, the method of payment, the deal’s deadline and the way the contract could be annulled.

Step three. Once the company finds its client a property, a consultation with lawyers should follow. Reputable real estate agencies offer such consultations. They either have a judicial department or work with lawyer’s offices. A reliable lawyer’s office would be one, which, just like in the real estate agency’s case, has existed for at least 10-15 years on the market.

Step four. A preliminary contract signing. It is a sale-trade contract, which settles when the deal will be executed. Usually the deadline is within a month or 45 days. It is the time when the money is paid. “It is accepted that at that moment the agency had fulfilled its task – to find a suitable property. However, a good agency would continue supporting its client until the deal’s execution,” Stoyanov said.

Step five. A preliminary notary deed. It is important to choose a notary of repute.

Step six. Deal execution.