

Purchasing Land

LAND PURCHASING AND DEVELOPMENT Purchasing Land in Bulgaria Investing in Bulgarian land is one of the best options in term of capital gain and worry-free investment in Bulgaria What is the price of the land in Bulgaria? Although that the last few years have been very positive for the Bulgarian property market with great increase in the annual property price and that did affect the price of the land, remarkably, the price of Bulgarian land is still very low when compared to the rest of Europe. This concerns mostly plots located in rural areas and especially for agricultural land. A property forecast from a reputable Bulgarian Property company predicts that in 2009 the property market will work in favor of the buyer and the sellers will be more disciplined and predisposed to make discounts. The low prices of Bulgarian properties will sustain and some properties will see a reduction. Is timing good for purchasing land, what about the world economy crisis? Purchasing land and rural properties are the wisest property investments at that moment. The property market as a result of the world crisis in the bank system is slowed down, the new drastic rules for credit release has made the purchase of expensive properties very limited. But at this time of recession not everything is as bad as it seems. The time for wise property investments has come! There are some advantages that could serve you well – the market is working in favor of the buyer at the moment and this condition will continue during theyear of 2009. On the contrary the sellers are not in an enviable position because they would have to form a competitive price if they want to catch that buyer everyone else wants. Why not many people follow that advice if the potential for profit looks so obvious? It is definitely not for the faint-hearted. This is called investors sixth sense, good business feeling. If you can get over your fears you may become one of those successful men in history who chased the opportunity and took advantage of it. What can I do if I have a certain amount of money and I am not prepared to go for a loan? You don’t need to be a millionaire to invest in real estate. You can buy Bulgarian property without taking any loan from the bank system. You may wonder where you could possibly buy anything that doesn’t require much money! Exactly Bulgarian land and rural properties are the type of property where you won’t need great investment capital. That is understandable assuming the low prices of those properties even before the crisis. What the property experts say about investing at the moment? Real estate is a traditional hedge against inflation. It is the safest way to protect you money. As history shows the real estate market is most profitable when investments are made in time of economy crisis (using the advantage of lower demand, higher supply, and very low prices) and investment return when the market picks up. That means you could sell with great profit a property that only have cost you pocket money if you’ve taken the right opportunity at the right time. Can foreigners own land in Bulgaria? Foreign individuals can not own land (this is a Constitutional prohibition). However, the Foreign Investment Law removed the restrictions on acquisition of land by locally-registered companies with foreign participation. By setting up or joining a company incorporated under the Bulgarian legislation foreign persons can acquire full land ownership rights including ownership rights on agricultural land.

What to expect in terms of investment return? Of course the answer will be closely connected to what type of land you are purchasing. There are numerous occasion, when the price of land in Bulgaria more than doubles within 1 year! The price of some plots in Sofia and around the Black Sea coast increased more then 10 times within the last 5 years. That is if you invest in land near hot locations like the capital or the Sea Coast. Another very attractive option is to invest in agricultural lands which in Bulgaria owners are selling for incredibly low price. That is low risk investment due to property experts who predicts that Bulgaria will continue to attract foreign business investments and the investment return could be guaranteed in a couple of years. That is of no surprise if you take in mind the low cost of life and the low expenses for labor and materials. Some forecasts, when analyzing the impact of the world economy crisis over the population in the most badly stricken countries, predicts a substantial migration of people, relocation from Europe and the States to Bulgaria, which is another good reason to own Bulgarian property.

What are the different types of land – or how to decide what to buy? Unregulated land – this is a piece of land that has not been marked by the authorities as an area for development. Usually this is the agricultural land. You cannot build on this land before converting it to regulated land. There is a legal process you would need to go through and the authorities usually change the status of the land – in regulation, which means there are no obstacles for you to build on it. It is really important to know that unregulated land is a few times cheaper in comparison with regulated land. Some investors prefer to buy the land on the lower price – the unregulated land, and then convert it into regulated land. Conversion of land may take up to year and it is better if you get independent advice of how easy the process will be and what are the chances for the result you want to happen. Regulated Land – the land has been marked for development. Generally this is the land in villages, in towns and cities. This is the land where you can start building right away. If you don’t want to bother with legal process of converting status of the land, the safest option is to buy regulated land.