

Bulgaria tops chart for house price growth

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According to estate agent Knight Frank, Bulgaria has now topped the index for house price growth for four consecutive quarters.

Prices are now falling in almost half the markets listed in the [Knight Frank](#) Global House Price Index.

However, growth rates in double figures are still being recorded in eight markets, including [Bulgaria](#), [Russia](#), (which saw price growth of 26.5 per cent up from 24.7 per cent in the previous quarter) and [Cyprus](#).

The economies of central and south-eastern Europe appear to be the strongest performers, while northern Europe (including the Baltic States), together with the [United States](#), are suffering the most.

Property in Bulgaria is one of the fastest growing assets in the country. Last year, property prices in Bulgaria went up by about 30 per cent, placing the country among property price growth leaders on a global scale.

[Bulgaria](#) retained its number one spot in [Knight Frank's](#) index with a 32.2 per cent year on year growth in real estate property prices in the second quarter of this year.

According to the [National Statistical Institute](#), in the first half of this year [Bulgaria's](#) economy grew by 7.1 per cent year-on-year.

The growth in Bulgarian house prices is supported by the growth of the country's economy - the Gross Domestic Product in the second quarter of 2008 was up 7.1 per cent.

Phil Grimes of Bulgarian property specialist [Select Property Overseas](#), said, "For the international investor high capital gains are being replaced by more moderate gains and stronger rental incomes as the market matures, the capital of Sofia is a strong long term investment as the country's wealth increases."

The rapidly depreciating housing markets of the Baltic States - led by Latvia, which was the first one to fall into technical recession, where prices fell by 24.1 per cent over the past year, demonstrate that rising inflation and mortgage costs are real risks for the emerging economies of Europe.

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