

Bulgaria offers Russian property investors safe haven - officials

16:47 Thu 09 Oct 2008 - Nina Todorova

Bulgaria will continue to be a safe haven for Russian property investors despite the global financial crunch, a panel of Bulgarian officials have said during Sofia-Moscow video conference that is part of a series on the prospects of Russian-Bulgarian cooperation in the field of tourism, organised by Russian news agency RIA Novosti organized at the Hilton hotel in Sofia.

The panel included Deputy Foreign Minister Milen Keremedchiev, the chairperson of the national association for real estate Luchezar Iskrov, the managing partner of Address real estate agency Katya Tsenova and the editor-in-chief of Index Imoti magazine Deyan Todorov.

The bulk of Russian investors are 25 to 45 years old second-home owners along the Black Sea coast, who may or may not open businesses in Bulgaria, the panel participants said. Climate conditions, short distance from permanent residence and agreeable prices in comparison to other EU destinations compel them to build on their coastal activities and seek opportunities in the mainland.

The critical mass buys a vacation house for 100 000 to 200 000 euro. Still more Russian investors buy complete apartments and houses in small and mid-size Bulgarian towns to develop businesses at ski- and medical therapy resorts.

Total foreign investments in Bulgaria in 2007 amounted to 5.7 billion euro, of which 36 percent come from property investment. Russian investments made up for 39 percent of the grand total and 45 percent of the property acquisitions in particular. Statistics for 2008 are as yet unavailable.

Keremedchiev briefed Russian officials on the e-Visa application system, effective March 2008, which enables foreign citizens to apply for Bulgarian visas online.

The most beneficial way to invest in Bulgarian property for a Russian citizen is to enter the country on a one-year business visa, register a firm and acquire property as a legal juridical unit. A three-year business visa follows at the end of the first year, allowing the Russian investor to spend more time developing businesses in Bulgaria as well as the rest the EU.