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## **Bulgarian real estate slumps in value**

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Land plots in resorts or near big cities have witnessed the sharpest decline of over 28 per cent as the drastic decrease in demand has burst the bubble of their artificially inflated prices, Iskrov said.

The Bulgarian real estate market has enjoyed years of gradual growth, with prices constantly being on the upturn providing a healthy climate for the sector. These were the days of predictability and affluence. Not anymore, being on the outskirts of the hurricane of financial turbulence slowly approaching the country from the West, prices have taken on a sharp decline, as offers on the leading property websites in the country show.

Single family homes, shops, offices and land plots are show a decline ranging from two per cent in the most modest instances to as much as 10 per cent in larger towns and cities across the country, data from websites topimoti.bg, imoti.net and imot.bg shows.

In some grimmer cases, owners have slashed prices by as much as half in a direct consequence of the global credit crunch, the subsequent rising inflation and the waning purchasing power of the population.

Bankers are giving loans and will let customers borrow, whether for a purchase or refinancing of an existing loan, sums that reach up to half of the cost of the property. But it is exactly the lack of funds and liquid assets and cash on the market that is causing its stagnation, National Real Property Association chairperson Luchezar Iskrov told Dnevnik daily.

According to Iskrov, the Bulgarian market was still to experience the worst, though a decrease in economic activity had already been recorded.

The falling prices caused alarm amongst the market speculators, loan borrowers and property developers who are desperate to offload properties as quick as possible and turn them into cash before any further slump in their value comes about, insisted Vladimir Lafchiev, manager of property agency Viel.

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Prices of flats in Pernik, an industrial town 30km from Sofia, have so far registered a decline in value by 10 per cent in the past month alone, Bulgarian news agency BTA reported.