

Overseas buyers guide to Bulgaria.



Key areas to consider before buying a property in Bulgaria.

Avoid the fiction. Get the facts

Buying a property overseas can be daunting, especially when newspapers and television programmes highlight the horror stories, but the good news is it doesn't have to be that way. Take our clients for example, they tell us time and time again how their experience has not only been a positive one but also has exceeded their expectations. How? By being prepared! It is crucial for anyone looking to buy a property overseas to be fully informed if they want a hassle-free experience, which is why we have produced a series of guides to help prospective buyers.

A brief guide

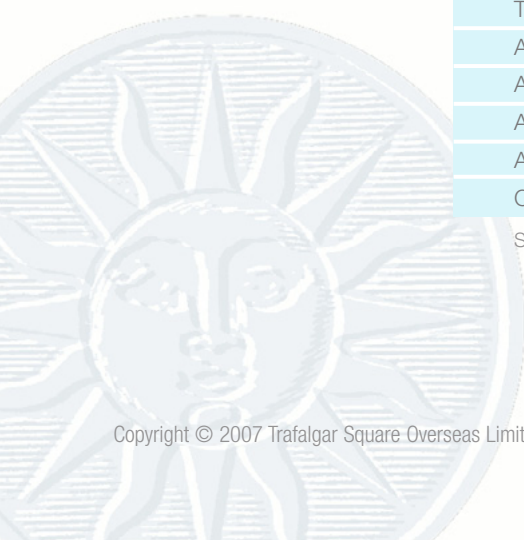
This guide is designed to provide a snapshot of the key areas you will need to consider before buying a property in Bulgaria. Every country has its own way of doing things and being aware of the differences is an important step in your journey.

Bulgaria – property statistics

Increasingly overseas investment is being targeted at emerging markets such as Bulgaria where prices & entry costs are some of the lowest. Bulgaria has one of the highest income yields reflecting the greater risk generally associated with investment in this region.

The average budget for a purchase in Bulgaria is:	£118,000
Average house price:	£112,750
Average rent per week:	£441.00
Average rental weeks:	12
Average annual rent:	£5,398.00
Capital growth pa (02-06):	15.6%

Source: Savills Research; Office of National Statistics; homesoverseas.co.uk



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The legalities

Independent legal advice: You will need a legal adviser, preferably an English speaking lawyer, to ensure your interests are represented when making the purchase.

Bank account: An account in Bulgaria will be required in order to facilitate your financial transactions within the country.

Preliminary contract: This is signed by the buyer and at this point, a deposit of 10% of the purchase price will be required. This procedure acts as a green light for the seller to prepare the documents necessary for the signing of the Title Deed.

Transfer of deed: This is the final legal contract known as the 'Notary Act' or purchase contract, which needs to be signed in the presence of a Public Notary once the remaining balance of the purchase price has been paid. Once this contract is signed you are the official owner of the property.

Power of Attorney: It is possible for you to appoint a third party, giving them specific power of attorney to act on your behalf at the 'transfer of deed' procedure.

If you are looking to purchase a new-build property, there are additional facts that you will need to take into account. See below for details.

Additional purchase costs

Aside from the actual purchase price of the property, you will need to take into account the following costs:

Legal fees: This covers items such as legal advice, property searches, document translations and/or a requirement for an interpreter, Land Registry fee and the cost of a Power of Attorney if appropriate. In most cases you can expect to pay 1% of the purchase price.

Notary Fee: The charge is 1.5% of the purchase price as stated in the Title Deed which may be different from the actual purchase price paid. The reason for this difference is explained in our free, comprehensive, no-nonsense guide.

Land Registry Fee: The charge is 0.1% of the property's value.

Taxes

State Tax: This is similar to Stamp Duty and includes local taxes. You can expect to pay between 3% and 4% of the purchase price and this is payable at the 'transfer of deed' procedure.

Municipal Tax: The buyer is liable for this tax which is 2% of the actual purchase price.

Real estate property tax: This tax equates to 0.15% of the book value of the property. However, in order to attract overseas investment, the Bulgarian Government is offering tax concessions until 2012.

New-build properties

There are other factors you will need to consider if purchasing a new-build or off-plan property, such as obtaining a valid 'Use Permission Certificate' issued by the State of Acceptance Commission, which the mortgage lender will require in advance of releasing the funds. Further details can be found in our free, comprehensive, no-nonsense guide.

Turning overseas dreams into financially balanced realities.

The Next step

If you are serious about buying a property in Bulgaria, contact us today to order our comprehensive, no-nonsense guide. It's full of facts and figures – including insights into the buying process – as well as information on what to expect and to budget for once the property is yours. You will also find details of our services and how we have helped our clients turn their overseas dream into a welcome reality.

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Language is no barrier

Employing the services of an interpreter is easier than you might think and can make all the difference to your buying experience. Ask us how.

Overseas but over here

Trafalgar Square Overseas is a truly independent advice-based mortgage brokerage. Our guiding principle is to break the mould of institutional-style selling by operating a new, non-aligned mortgage business which is client-centred and based entirely on service.



Trafalgar Square Overseas is a Member of the Association of International Property Professionals (AIPP). In an effort to improve the professional standards of the international property market, Members of the AIPP have voluntarily committed themselves to industry regulation.

When you see that a company is a Member, it means:

- A company has been vetted and approved.
- A company has submitted to industry standard training.
- A company has agreed to follow the AIPP Code of Conduct, one established to help and protect you, the buyer, by ensuring Members follow professional guidelines.

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