

Properties in Bulgaria - Average Price Decreases and Discounts in 2009

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Analysis of Bulgarian property price decreases in 2009 based on property offer prices and the prices of real deals. All data comes from the offers on BULGARIAN PROPERTIES' website www.BulgarianProperties.com, as well as the company property deals.

After the almost half-a-year hibernation of the Bulgarian real estate market, in the middle of March BULGARIAN PROPERTIES registered the first signs signaling its awakening and the turn of the sale decrease trend on a monthly basis. The decrease in property prices all around the country is also a fact. It started furtively, lower prices were reached only after bargains with serious buyers but in the last couple of months sellers have become bolder in lowering the prices of their properties.

Property prices in Sofia have decreased by 13.23% in 2009. Prices of furnished apartments in Bansko start from 495 Euro/sq.m. and those in the area of Sunny Beach – from 310 Euro/sq.m.

On the BULGARIAN PROPERTIES site there is a new section where all the discounted properties can be viewed:

<http://www.bulgarianproperties.com/discounted-properties.html>

Currently, 5% of the active offers for sale and rent are offered at discounted prices. We expect this percentage to continue to increase as sellers already understand that property prices have actually gone down and that if they want to sell, they have to offer the best possible price and not put a high price on the property and count on bargains.

Comparison between the discounted prices and the prices of actual concluded deals

Sofia

Sofia is one of the cities with most discounted properties which shows greatest maturity and flexibility of the market and explains its higher level of dynamics compared to the other big cities around the country.

Average decrease in offer prices from the beginning of 2009: 13.23%

The decrease varies depending on the quarter and the features of the property as follows:

- Top center area – 14.9% - up to 1,800 Euro/sq.m. in the areas around Vitosha Blvd and up to 2,000 – 2,800 Euro/sq.m. around the Parliament and in the Doktorski Pametnik area
- Wide center area – 9.34% - up to 1,190 Euro/sq.m.
- Bulgaria Blvd. – 12.96% up to 978 Euro/sq.m.
- Lozenets quarter – 12.6% - 1,600 Euro/sq.m.
- Strelbishte and Ivan Vazov quarters – 10.9% - 1,500 Euro/sq.m..

The greatest discounts are between 50 and 60% and the smallest – about 1.5%.

Prices of offices put up for sale have gone down by 1-2% but there are exceptions with discounts of up to 58%. Prices of regulated plots of land have also underwent a slight decrease – between 1.5 and 8%.

However, if we compare the prices of the offers with the prices of the actual concluded deals in Sofia – which according to BULGARIAN PROPERTIES 2009 data are concluded at levels that are 25-28% lower compared to 2008 – it is obvious that sales are concluded after big discounts from the price and bargains with the sellers. The difference between the average price of the discounted offers and the price of actual concluded deals is around 15%.

Varna

Since the beginning of 2009 the property market in Varna has been less active compared to Sofia which is due to the still high prices. However, lately Varna has also been witnessing some great discounts in property prices reaching up to 40%, which play an important role for the increasing interest on the part of the buyers.

Average decrease in offer prices from the beginning of 2009: 9.97%

The decrease is between 0.1% and 40%.

Prices of houses close to Varna and close to a beach have decreased by 6.2%.

The decrease in prices as per quarter is as follows:

- The central area and the Sea Garden – 9% - down to an average price of 1,990 Euro/sq.m.
- Levski quarter – 3.9% - 1074 Euro/sq.m.
- Breeze quarter – 9.8% - 1160 Euro/sq.m.?
- There are also discounts in the quarters of Asparuhovo (11%), Galata (6.5%), Vinitsa (7.42%), around the resort of St. St. Constantine and Elena – 7.8%

The decrease in offer prices in Varna is not as big as that in Sofia. The deals in Varna in the last few months are concluded at prices about 30% lower than the average prices in 2008, i.e. the difference between the average price of the discounted offers and the price of actual concluded deals is about 20%.

Bansko

Bansko is the leader in real estate price decrease. We can claim without any doubt that the prices in Bansko at the moment are a real bargain. An unfurnished one-bedroom apartment can be bought for as low as 28,000 Euro and the price of a fully furnished one starts from 35,000 Euro. These prices appear after a decrease of between 30 and 45%. The prices of fully fitted and working restaurants for sale in Bansko have fallen by between 30 and 60% and fully fitted spa centers can be bought for 29,000 – 32,000 Euro which makes a 37-46% decrease.

The average decrease in offer prices is 25% as the price of furnished apartments starts from 490 Euro/sq.m. The discounts vary from 19 to 60% as the range of the discounts of the actual concluded deals is the same.

For comparison – there are discounted properties in the resort of Borovets as well but the choice there is limited and the discounts are up to 11%.

Sunny Beach

Prices of discounted apartments with very good locations – in the center and close to the beach - have

decreased by 13.4% on average as the prices per square meter vary between 790 and 1,200 Euro. In the more unattractive areas around Sunny Beach one can buy an apartment for as low as 310 Euro/sq.m.

Rural properties also underwent a correction in the price – it decreased by 15.35% on average (the decrease varies from 5% to 35%). The statistics of BULGARIAN PROPERTIES based on actual deals shows that in 2009 deals with rural properties are concluded at prices about 35% lower than those in 2008. This means that those discounted rural properties whose prices have decreased most have a bigger chance of being sold.

Currently, deals are concluded at prices 20 to 35% lower compared to 2008 – this is the point of intersection of supply and demand in the last 3 months. Double-digit price decrease is still not openly offered to buyers but is reached after a serious bargain. However, it is a fact that most buyers start bargaining only after they spot a good price.

'Our advice to the sellers is to decrease the offer prices as much as possible and not to leave a reserve because this way it will be much more difficult to get to the point of negotiations with potential buyers', says Mihail Chobanov, the Managing Director of BULGARIAN PROPERTIES.

See also our BEST BARGAIN PROPERTIES:

<http://www.bulgarianproperties.com/best-buy-properties.html>

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