

Hotspot Guide

Bulgaria

A Sample of what's on Offer

Hot Spot

Introduction



Why Invest in Bulgaria?

The steadily growing economy and stable government encouraging foreign investment has assisted with the recent growth.

Finances are being directed at improving infrastructure to continue the growth of the investment and tourism markets, as these areas have proven to be ideal sources of economic growth for the nation.

Capital growth is about 14% in Bansko and 20% in Sunny Beach

Fantastic rental opportunities along the coastline, ski resorts and city centres

Opportunities for 10 year build guarantees

The country been a member of the EU since the beginning of 2007

Bulgaria has thrown off the shackles of communism completely, and has been a member of NATO since 2004

No visas required for EU passport holders, unless staying for longer than 30 days

E111 health insurance covers visitors

The country benefits from modern hospitals and specialist clinics

Very cheap cost of living – £7 buys for a meal for two, and a pint of beer is only 50p



Fast Facts:

- **Location:** South eastern Europe, bordering the Black Sea, between Romania and Turkey
- **Capital City:** Sofia
- **Climate:** Beautiful blooming spring, dry and hot summer, long and pleasant autumn, and mild winter with lots of opportunity for skiing
- **Average Temperature:** The average annual temperature is 10,5°C, in winter about 0°C
- **Total Land Area:** 110550 square kilometres
- **Official Language:** Bulgarian
- **Total Population:** 7,262,675
- **Population Density:** 185/sq MI
- **Major Religion:** Christianity
- **Currency:** 1 Bulgarian lev = 0.440411314 British pounds
- **GDP:** 86.71 Billion
- **GNI per capita:** 11,950PPP\$
- **Inflation:** 2.8%
- **Annual Growth:** 6.3%
- **Main Exports:** Clothing, footwear, iron and steel, machinery and equipment, fuels
- **Main Sources of Income:** Taxes and Tourism
- **Unemployment:** 7.7%
- **Population Below Poverty Line:** 14.1%
- **Literacy:** 98.2%
- **Life Expectancy:**
- **Total population:** 72.03 years
- **Male:** 68.41 years
- **Female:** 75.87 years
- **Time Zone:** EET
- **Internet Domain:** .BG
- **International Dialling Code**+359



Geography

- **Bulgaria** is a country situated in south-eastern Europe, bordering Romania, Serbia, the Republic of Macedonia, Greece, Turkey and the Black Sea.
- Its northern border with Romania follows the Danube river until Silistra.
- The land area of Bulgaria is 110,550 square kilometers, slightly larger than that of Iceland or the U.S. state of Tennessee.
- The country is situated on the west coast of the Black Sea, with Romania to the north, Greece and Turkey to the south, and Serbia and Macedonia to the west.



Economy

- Bulgaria became a member state of the European union in 2007.
- It is classified as an upper-middle-income country by the World Bank.
- The Bulgarian economy is a free market economy.
- Economically Bulgaria can be qualified as a developed industrial country and an attractive place for active tourism and sport-lovers because of its incredible natural resources.





- The economy of Bulgaria declined dramatically during the 1990s with the collapse of the COMECON system and the loss of the Soviet market, to which the Bulgarian economy had been closely tied. The standard of living fell by about 40%, and only regained pre-1989 levels by June 2004..



Politics

- **Politics of Bulgaria** take place in a framework of a parliamentary representative democratic republic, whereby the Minister-Chairman is the head of government, and of a multi-party system.
- Executive power is exercised by the government. Legislative power is vested in both the government and the National Assembly.
- The Judiciary is independent of the executive and the legislature.

- **A Brief Guide to Purchasing Property in Bulgaria**

Bulgaria offers a straight-forward purchasing process with attractively low purchasing costs. When planning a property purchase in Bulgaria it is highly advisable to use a lawyer specialising in this market to thoroughly explain the processes of setting up a Bulgarian company, when opting to purchase through the corporate route.

Property Market

The property market in Bulgaria has just boomed! And this boom is set to last.

With prices in Bulgaria incredibly low for houses and with the long term prospects for Bulgaria so positive, property investors, astute second home buyers and those looking to relocate to Bulgaria are being afforded a wealth of choice and a fantastic opportunity.



Fees and taxes:

Capital gains

Capital gains are treated as ordinary income subject to corporate income tax.

Transfer taxes

Apart from corporate tax, no other direct taxes are levied on the transfer of real property. The transfer is, however, subject to notary and municipal fees.

The notary fees are paid on the higher of the market price or the book value of the property at varying rates, with the maximum being BGN 3,500.

In addition, 2% of the market value of the property is paid to the municipality in which the real property is situated.

Local taxes and rates

The owner of a building or a plot is obliged to pay a real property tax.

Where a building is built on a State or municipal plot, the value of the plot will also be included in the tax base.

The tax is equal to 0.15% of the book value of the property. Arable land is exempt from local taxes.



Value Added Tax

Transactions with land and lease of property for residential purposes are exempt from Value Added Tax (VAT). All other real estate transactions are subject to VAT at the uniform rate of 20%. The buyer/lessee is entitled to a VAT refund, provided that it is registered for VAT purposes

Hot Spots:



Varna, Sofia and Plovdiv : famous beach resorts , cultural attractions ,historic buildings , museums and art galleries.

Kamchiya: nature reserve

Aladzha :has a royal palace of alchik and hillside monastery