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News letter



HALF OF THE EU RESOURCES FOR ENVIRONMENTAL PROJECTS HAVE ALREADY BEEN ALLOCATED THE RESOURCES WILL BE USED FOR REFUSE PROCESSING PLANTS AND WATER PURIFYING STATIONS

The adoption of the funds for the 'Environment' project will start at the beginning of 2008 with constructions to the value of EUR 300 million. The money will be spent on water purifying stations in Vratsa, Gabrovo, Sliven, Tsarevo – Ahtopol, Hissar, Svoge and Blagoevgrad, as well as on new household refuse processing facilities in Kocherinovo, Bourgas, Dobrich, Pleven, Provadiya and Rouse.

Out of EUR 1.8 billion allocated for the 'Environment' project, EUR 800 million has already been planned for the execution of individual projects; this sum, however, might reach a total of EUR 1.3 billion.



Over EUR 1.2 billion will be used for the rehabilitation of water-supply and sewerage systems. As to the construction of water purifying stations, Black Sea Coast communities will be top priority. 74 of these stations will be built by 2010; they are planned to service all communities of up to 10 000 inhabitants.

85% of the resources are granted free by the EU, 15% are supplied by the Bulgarian government. EUR 367 million will be spent on the construction of 30 regional household refuse processing plants, of which 9 are already under construction.

Over EUR 100 million has been allocated for the protection and preservation of biological species in the country.

Dnevnik Daily
6 December 2007



US TO INVEST USD 200 MILLION IN BULGARIA

The US will invest USD 200 million (EUR 136.14 million) in Bulgarian municipalities where US military bases will be located.

One quarter of the sum, USD 50 million (EUR 34 million), will be accounted for NATO projects, announced the American Chamber of Commerce in Bulgaria.

The other part of the money will be used for infrastructure modernisation, such as road repairs and communication, water-supply systems and electricity installation projects.

Sofia Echo
12 December, 2007



BULGARIA COST OF HOUSING LOANS DOWN IN OCTOBER

The cost of mortgage borrowing in Bulgaria continues to decline, shows October data released by the Bulgarian National Bank (BNB).

The rate on long-term housing loans denominated in the local currency was reported at 8.35%, some 30 percentage points down on the year-ago period when the same type of resource cost 8.62%.

The housing loans are also cheaper in comparison with early September when the rate was three percentage point higher.

The average size of the domestic housing loan was rising throughout 2007 in response to increasing residential prices, local credit consultancy Credit Center said recently. It now stands at EUR 42,000.

The cost of corporate loans is also on the back foot. The central bank data shows it fell to 9.20% on long-term loans by end-October from almost 10% a year earlier.

Consumer loans posted rate increases both month-on-month and year-on-year.

Sofia News Agency
12 December, 2007



BULGARIA TAKES THE LEAD IN PROPERTY PRICE RISE

Bulgaria reached the prestigious first place in the world in terms of real estate prices increase - thus ousting the traditional leader Lithuania from the top.

At the end of September the prices in the Balkan country had accelerated by 30.6% on an annual basis. For one year Bulgaria climbed seven positions in the global index despite the concerns of holiday apartment oversupply in the area of Bansko and some Black Sea resorts, the analysis says.

An important contribution to Bulgaria's head-spinning climb has the real estate price drop in the Baltic states. Lithuania, which was in the lead in the last couple of years, dropped out of the top ten countries. This is mainly due to the decrease in the prices in capital Riga.

The real estate price growth has slowed down in Estonia as well, as the biggest price drop is witnessed in the off-plan properties.

The second place in the ranking is taken by Singapore. The Asian tiger went up 19 places from 2006, when it was 21st. Real estate prices in Singapore have upped by 27.6% on an annual basis.

The third place is occupied by South Africa which went up 6 places since last year.



The global index shows that as a whole the price increase is slowing down worldwide. In the last 12 months real estate prices went up by 8.2% compared to the 9.6% as of September 2006. The main factors for this slowdown are said to be the increase of the interests on a global scale and the stricter lending conditions.

Western European markets, which boasted a price boom until recently, had a rough landing this year.

The Irish market went down by almost 1% while a year ago it witnessed a 15-per cent price growth. Prices continue to fall in Germany as well, which traditionally is at the bottom of the ranking, while the prices in the Scandinavian countries remain stable.

Despite the mortgage crisis in the USA experts are not registering a fearful price collapse in the country. In fact, for the third quarter of the year the prices have gone up by 1.8%.

Top 10 of the countries registering the highest real estate price increase:

1. Bulgaria: from 14.0% (Sept. 2006) to 30.6% (Sept. 2007)
2. Singapore: from 7.4% (Sept. 2006) to 27.6% (Sept. 2007)
3. South Africa: from 13.9% (Sept. 2006) to 14.4% (Sept. 2007)
4. Spain: from 16.6% (Sept. 2006) to 13.8% (Sept. 2007)
5. New Zealand: from 8.6% (Sept. 2006) to 11.8% (Sept. 2007)
6. Croatia: from n.a. (Sept. 2006) to 12.1% (Sept. 2007)
7. Canada: from 9.8% (Sept. 2006) to 11.7% (Sept. 2007)
8. Norway: from 14.1% (Sept. 2006) to 11.7% (Sept. 2007)