

The bear comes in from the cold



Sunny beach, Bulgaria: ready for a €500m facelift

Theodor Troev

Bulgaria is shaking off its Communist past and setting its sights upmarket, says Theodor Troev

About 30 developers and property hunters line up on an empty white sand beach, straining to hear the English translation of a speech from Krasimir Todorov. Todorov, the mayor of Avren, is trying to sell 300,000 sq metres of municipally owned land south of the Black Sea port of Varna. It includes a thick strip of forest and hot mineral springs suitable for spa treatments, and it borders the Kamchia River that is part of a protected environmental area.

"This is one of the prime properties along this coast," he says, gesturing towards the sea. "We offer an excellent return for investors but also a great place for a holiday home."

His sales pitch seems to be working. The Moscow government has already invested in this area of Bulgaria's coast, with plans to build two five-star hotels on a promontory enclosing the south side of the beach. And more buyers – institutions and individuals from Russia, the UK, Ireland, Spain and France – are circling, eager to get in on Europe's latest emerging market property boom.

Not surprisingly, the latest trend is a move toward more

upscale development – high-end villas and bigger apartments that will serve as long-term second homes rather than rental properties. It helps that the country's government has backed new legislation aimed at protecting the Black Sea coast; high-rise buildings will be banned and new zoning regulations required a certain

amount of green space to be preserved amid new construction. As Bulgaria comes closer to European Union accession, financing a property purchase has become easier, and airlines are ramping up flights to Sofia and Varna.

"We believe the market is moving from a mainly invest-

tor-driven one to a more balanced investor/lifestyle profile," says Gary Brierley of Bulgarian Developments, a UK company that twice a month brings 30 to 50 potential homebuyers twice to the country.

Sunny Beach is perhaps the best example of the Black Sea coast's past. Built in the Communist-era 1960s to attract sun-and-sand tourists, the resort benefited from a wave of new investment in the first part of this decade, with an estimated €500m funnelled into refurbishment and construction, including a few new five-star hotels. Still, it has remained a mass-market family destination, full of Soviet-style housing blocks made only slightly prettier by their new paint.

Elsewhere, however, the quality of new development is rising. Bulgarian Developments is currently marketing Oasis Kamchia, a low-rise holiday retreat in a forest in the Avren region close to the beach that features a gymnasium, tennis courts, swimming pools and café/bars. John Cain, from Chadderton, near Manchester, recently bought a large two-bedroom apartment there. "I was originally looking to buy in Spain, but the quality of the complex and plans for the resort convinced me to buy in Bulgaria," he says.

Bay View Villas, a resort under construction on a hillside five minutes' drive from

Sunny Beach, is another example. Brick with a cladding of local stone is used instead of breeze blocks, along with high quality kitchen and bathroom fixtures. Communal facilities include 1,000 sq metre pool complex; a spa and fitness centre; a terrace restaurant; and two supermarkets. Golf carts provide transport around the complex, and three motor-yachts will be available for charter by residents. A family-sized, four-bedroom villa costs up to

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€236,000. Robert Jenkin of selling agent Bulgarian Dreams predicts: "This kind of development is what will put Bulgaria on the second-home map."

He is equally proud of the less expensive Windows to Paradise, a group of high-end apartments to be built on a cliffside site 10km from the historic town of Balchik on the way to the Romanian border. It will adjoin one of three three 18-hole golf courses designed by Ian

Woosnam and Gary Player being built in the region, and a marina will be built in a cove below the site. A two-bedroom apartment in the first phase of construction, due for completion in 2007, costs €80,000, and most have been sold off-plan.

"The high season on the Black Sea is from June until mid September, shorter than in the Mediterranean, but the...three golf courses [will] definitely make [that] longer," Jenkin says.

Avatar International is another UK company promoting Bulgaria's new breed of holiday-home developments. "With increasing competition, developers are striving harder to produce more attractive projects with good onsite facilities," Amar Sodhi, Avatar's managing director, explains. He cites Santa Marina, a development set among rocky outcrops and sheltered coves near Sozopol, one of the oldest Black Sea ports with a wealth of ancient Greek and Roman remains. It has three swimming pools and is next-door to a hotel with sports facilities, a restaurant and a shop. The new villas also follow local architectural styles, with ground floors made of the flagstone traditionally used to keep homes cool, wooden upper floors and red-tiled roofs.

"Santa Marina is designed to complement the old town," Sodhi explains. Two bedroom

apartments start at €111,800.

Myles Summerfield, chief executive of Sofia-based Premier Property, notes that Bulgaria's transition from bargain-basement properties to more expensive ones will benefit buyers in the long run, ensuring the market continues to appreciate. "Property prices have increased dramatically in the past three years, [but] they have come off a very low base," he explains. "For the market to continue to increase in value, the developers will have to compete on quality."

Atanas Makarov, a Sofia-based consultant on property investment, agrees. "Developers need to understand there should be a balance between construction and the natural and historical environment if one wants to target more upmarket customers and have a long-term business," he says.

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