

Q&A

Real Estate Investment in Bulgaria

Why is Bulgaria a good choice for investment?

Bulgaria is a prime emerging market located close to Western markets in Eastern Europe. They have just joined the European Union and have a stable, democratic government. In addition, they have some of the lowest labor costs in Europe, they are well educated, and possess a motivated work force.

Is the government stable?

Since Communism gave way to democracy in 1991, Bulgaria has shown a continuous commitment to an open, democratic society and free markets.

Can a foreign person own property?

Foreign persons can own property; from a legal and tax perspective though, ownership through a simple limited liability company is recommended.

What are the tax implications?

Local taxes would entail only 10% of net profits for investments set up under a local company structure. The United States and Bulgaria have a reciprocal tax treaty, meaning any taxes paid in Bulgaria would be directly credited towards reducing your American tax obligation.

Is there clear title to property ownership?

Property ownership is fee simple, meaning a person or entity has complete control and ownership. There is a government agency and process to be sure clear title exists before any new transfers of ownership takes place.

Are there any restrictions on repatriating money to the U.S.?

No, there are none.

Will the current level of price appreciation continue?

The demand for new, modern buildings (both residential and commercial) is much higher than even the current, fast-paced level of new construction can satisfy. This backlog of demand is likely to continue to drive prices higher for the coming years.

Who will monitor my investment?

Global Quest has a full-time office in Sofia, Bulgaria capable of managing investment properties long-term.

What is the currency exposure?

All transactions are done in Euros or the local currency, which is pegged to the Euro.