

# UK property

offers 'better investment than Bulgaria'

Investing in British property provides a higher yield and lower risk than Bulgaria, according to a leading group of international property investment companies.

Despite Bulgaria's current standing as an overseas investment hotspot, Assetz International has warned that the country has seen a "dramatic change of fortunes" over recent months, with some properties falling in value and average returns declining from 116 per cent last year to just 35 per cent up to the end of September 2006.

"Bulgaria has suffered a dramatic change of fortunes in recent months, with the annual rate of capital growth plummeting from a remarkable 36 per cent in 2005 to 13.9 per cent in September 2006, and possibly set to fall further," the group revealed.

The Blagoevgrad district, which includes the Bansko ski region, experienced price falls in the second quarter of 2006, although property values have now recovered.

"The oversupply of apartments has created fierce competition for rentals, even in the face of quickly-growing tourist demand, which is being aggravated by reported poor management from local agencies," the group explained.

In contrast, the UK housing market is enjoying strong, sustained growth and offers a ready resale market, strong rental demand, lower mortgage rates and a reliable legal system.

"With the UK offering a 50 per cent return on cash invested compared to 35 per cent in Bulgaria, you would need to be a committed Bulgarian investor who is convinced of long term returns, when it is possible to enjoy much greater gains on home soil," said Stuart Law, managing director of Assetz International.

He added: "While Bulgaria still has value as a holiday home destination and is likely to be a reasonable investment for the long-term, the days of instant gains appear to be over for the time being."



[www.businessinberkshire.co.uk](http://www.businessinberkshire.co.uk)