

# RESIDENTIAL HOUSING

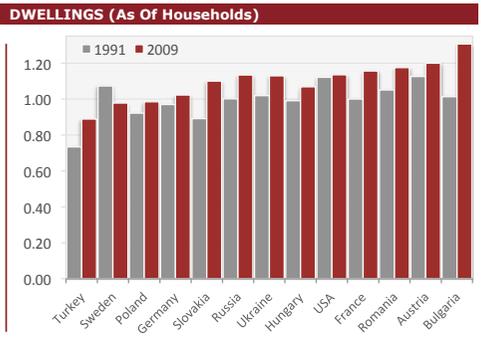
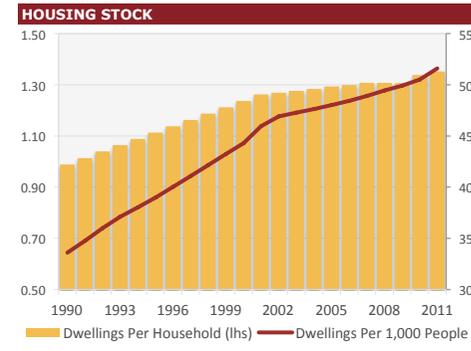
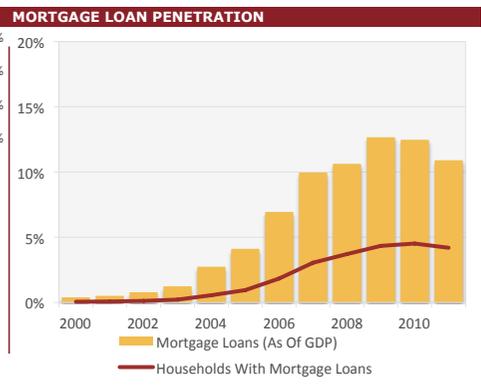
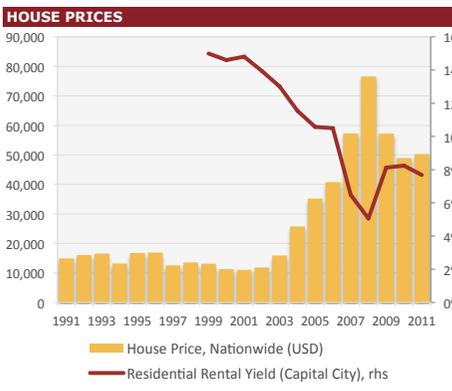
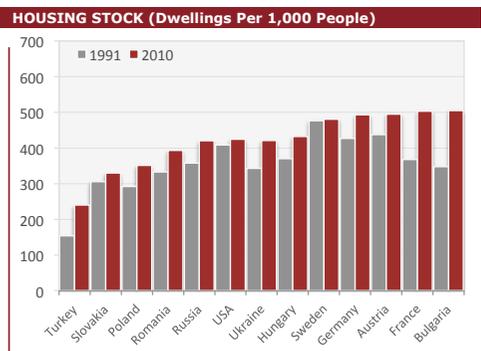
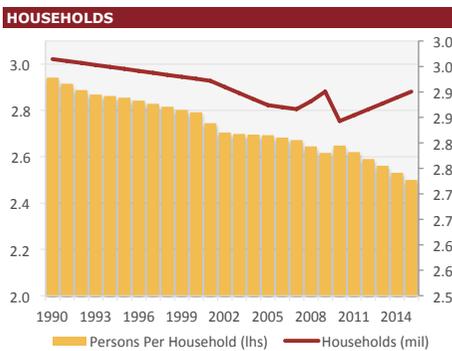
## Helgi's Pocket Guide

February 2013

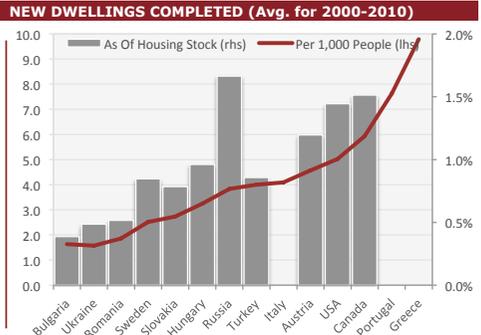
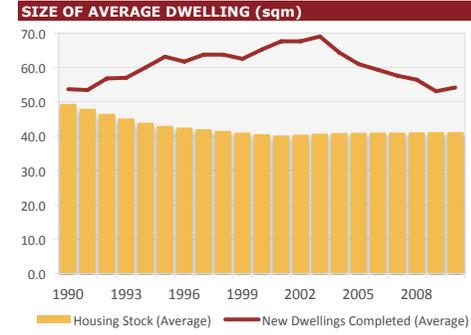
Bulgaria



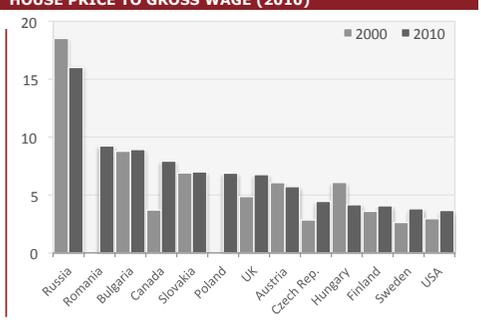
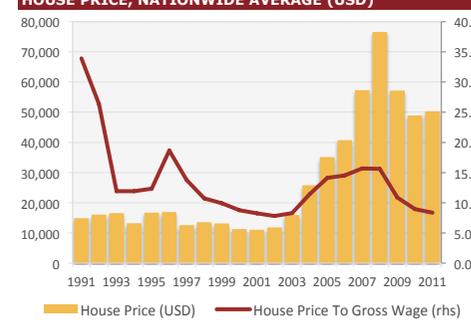
KEY FIGURES	1990	1995	2000	2005	2010	
Housing Stock (Number Of Dwellings), mil	2.93	3.28	3.62	3.72	3.80	
Persons Per Household	2.94	2.86	2.79	2.69	2.65	
Dwellings Per Household	0.99	1.11	1.24	1.29	1.34	
New Dwellings Completed ('000)	26.0	6.8	8.8	12.1	15.8	
Average Size Of Dwelling (sqm)	49.4	43.0	40.6	41.0	41.2	
House Price, Nationwide Average (USD)		16,732	11,286	35,167	48,945	
House Price, Capital City Average (USD)		20,487	13,625	38,831	53,109	
Monthly House Rent, Capital City Average (USD)			166	342	365	
Residential Rental Yield (Capital City Average)			14.6%	10.6%	8.2%	
House Price To Gross Wage (Nationwide Average)		12.33	8.77	14.10	8.93	
Home Ownership (As % Of Total Dwellings)			96.5%	92.0%	86.9%	
Mortgage Loans (As Of GDP)			0.2%	0.4%	4.1%	12.5%
Households With Mortgage Loan (As Of Total Households)			0.0%	0.1%	0.9%	4.5%



Bulgarians do not suffer from having nowhere to live. There are enough dwellings when compared to the total population, as well as the number of households. In 2011, there were roughly 1.35 dwellings per household on average. Similarly to other CEE countries, however, the quality of living and the size of living spaces are the main issues to tackle as around a third of all dwellings are pre-fabricated panel buildings built under Communism.

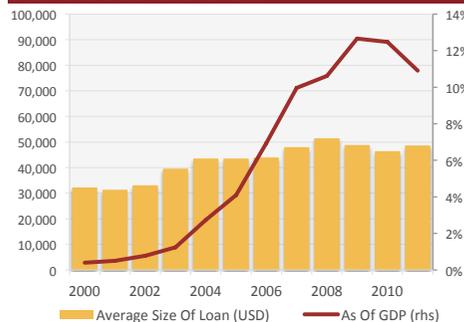


The average size of a dwelling in Bulgaria is only slightly above 40 sqm, so no wonder the newly-built houses are much bigger than the existing housing stock. The problem with housing is bigger than just small size, however. Analysis by Eurostat suggests that the gap in the quality of housing between the EU and Bulgaria could be bigger than a comparison of GDP per capita implies. Despite impressive price appreciation of Bulgaria's real estate in the last decade, there is not enough construction of new dwellings to upgrade the existing housing stock fast enough, as the chart above shows.

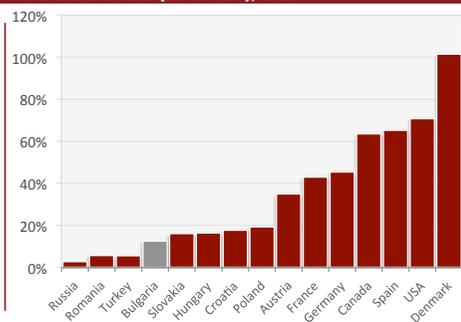


The average price for a Bulgarian apartment of 50 sqm jumped more than sixfold between 2002 and 2008 in USD terms, to over USD 50,000, before falling by 40% from its peak. The average dwelling costs around USD 33,000 now, though one could pay double this amount for a flat of the same size in Sofia, the Bulgarian capital city. Interestingly, the affordability of housing (when the average price of property is compared to the average gross salary) remains unchanged at around 6 annual wages to buy a flat now when compared to some 10 years ago.

### MORTGAGE LOAN PENETRATION

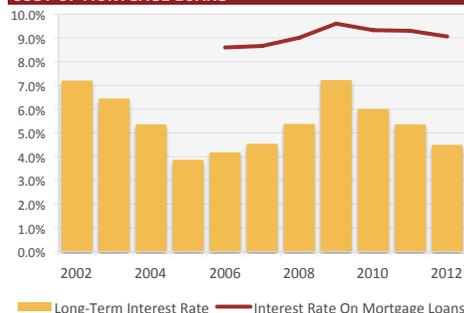


### MORTGAGE LOANS (As Of GDP), 2010

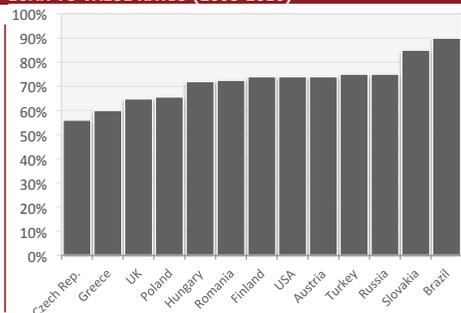


Bulgaria's mortgage loan market still has significant growth potential, in spite of the impressive boom we have seen in the last decade. Mortgage loans reached USD 5.8 bil at the end of 2011, or 11% of GDP, still a fraction of what we can see in the neighbouring countries. Also, we estimate that only about 5% of Bulgarian households have a mortgage loan, compared to 21% in Hungary or over 30% in Western Europe.

### COST OF MORTGAGE LOANS

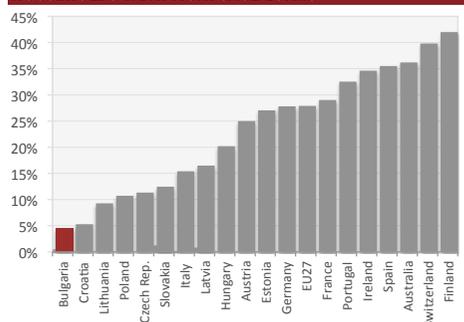


### LOAN TO VALUE RATIO (2008-2010)

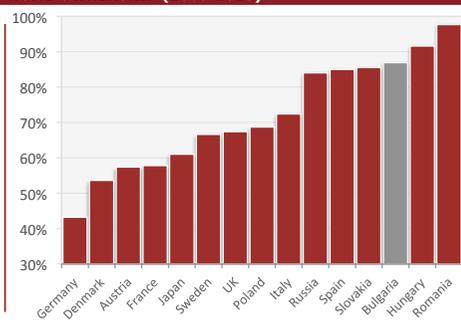


Bulgarians pay the second highest price (interest rate) for their EUR-denominated mortgage loans within the EU27, according to Eurostat, just after Hungary. While the average European pays around 4% a year on their mortgage loan, in Bulgaria it is nearly 9% now. Similarly to Hungary, or Romania, for example, more than 2/3 of all mortgage loans banks provided in Bulgaria were denominated in a foreign currency.

### HOUSEHOLDS WITH MORTGAGE LOANS



### HOME OWNERSHIP (2008-2010)



Similarly to other Central and South-Eastern Europeans, most Bulgarians own the house they live in - nearly 90% of them. Despite the boom in mortgage lending seen in the last decade, we estimate that only around 5% of households have a mortgage loan. When compared to the number of dwellings in the country, we estimate that only around 3% of the housing stock is used as collateral for a mortgage loan.

Source: World Bank, National Statistical Office, National Central Bank, OECD, United Nations, Helgi Analytics calculation



POPULATION		2003	2004	2005	2006	2007	2008	2009	2010	2011
Population	mil	7.82	7.78	7.74	7.70	7.66	7.62	7.59	7.53	7.48
Population (As % Of World Population)	%	0.12%	0.12%	0.12%	0.12%	0.12%	0.11%	0.11%	0.11%	0.11%
Persons Per Household	persons	2.70	2.70	2.69	2.68	2.67	2.64	2.62	2.65	2.62
Share Of Population (0-14 Years Of Age)	%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Share Of Population (15-64 Years Of Age)	%	69%	69%	69%	69%	69%	69%	69%	69%	68%
Share Of Population (65+ Years Of Age)	%	17%	17%	17%	17%	17%	17%	17%	18%	18%
Median Age	years	40.4	40.6	40.8	41.0	41.1	41.3	41.4	41.6	41.8
Old Age Dependency Ratio	%	25%	25%	25%	25%	25%	25%	25%	26%	26%
Youth Dependency Ratio	%	21%	20%	20%	20%	20%	20%	20%	20%	20%
Life Expectancy, both sexes	years	72.1	72.6	72.6	72.6	72.7	73.0	73.4	73.5	
Life Expectancy At 65, both sexes	years	14.5	14.8	14.7	14.8	15.0	15.3	15.5	15.4	
Total Fertility Rate	children	1.23	1.29	1.32	1.38	1.42	1.48	1.57	1.49	
Urban Population As Of Total	%	70%	70%	70%	71%	71%	72%	72%	73%	73%

HOUSING		2003	2004	2005	2006	2007	2008	2009	2010	2011
Housing Stock (Number Of Dwellings)	mil	3.70	3.70	3.72	3.73	3.75	3.77	3.79	3.80	3.86
Size Of Dwelling (Average)	sqm	40.7	40.9	41.0	41.0	41.0	41.1	41.1	41.2	41.3
Number Of Households	mil	2.90	2.89	2.87	2.87	2.87	2.88	2.90	2.84	2.85
Persons Per Household	persons	2.70	2.70	2.69	2.68	2.67	2.64	2.62	2.65	2.62
Dwellings Per Household	dwellings	1.28	1.28	1.29	1.30	1.31	1.31	1.31	1.34	1.35
Dwellings Per 1,000 People	dwellings	473	476	480	484	489	494	499	505	516
Home Ownership (As Of Total Dwellings)	%		92.0%					86.8%	86.9%	
Social-Rental Dwellings (As Of Total Dwellings)	%							11.2%		
Market-Rental Dwellings (As Of Total Dwellings)	%		8.0%					2.0%		
Housing Stock (Total Size Of Dwellings In sqm)	mil sqm	150	152	152	153	154	155	156	157	
Housing Stocks (sqm Per Person)	sqm	19.2	19.5	19.7	19.9	20.1	20.3	20.5	20.8	
Number Of Rooms	mil		10.4	10.5	10.5	10.5	10.6	10.6	10.7	
Rooms Per Person	rooms		1.34	1.35	1.36	1.38	1.39	1.40	1.42	
Rooms Per Dwelling	rooms		2.81	2.81	2.81	2.81	2.81	2.81	2.81	
New Dwellings Completed	'000 units	6.3	8.3	12.1	13.3	18.9	20.9	22.1	15.8	14.0
Dwellings Completed Per 1,000 People	dwellings	0.81	1.06	1.56	1.72	2.46	2.75	2.91	2.09	1.87
New Dwellings Completed (As Of Total Dwellings)	%	0.17%	0.22%	0.32%	0.36%	0.50%	0.56%	0.58%	0.41%	0.36%
Living Space Per Dwelling Completed (Average)	sqm	69.0	64.4	61.0	59.3	57.6	56.5	53.1	54.2	58.5
New Dwellings Started	'000 units								8.0	7.1
Number Of Dwellings Sold / Transferred	'000 units									
Dwellings Sold (As Of Total Dwellings)	%									

PRICE & VALUATION		2003	2004	2005	2006	2007	2008	2009	2010	2011
House Price (Nationwide Average)	USD	15,922	25,771	35,167	40,739	57,268	76,546	57,181	48,945	50,300
House Price (Capital City Average)	USD	23,489	32,347	38,831	43,049	63,436	87,200	61,778	53,109	54,374
Monthly House Rent (Nationwide Average)	USD per month									
Monthly House Rent (Capital City Average)	USD per month	255	311	342	377	343	368	418	365	348
House Price To Rent (Nationwide Average)	years									
House Price To Rent (Capital City Average)	years	7.7	8.7	9.5	9.5	15.4	19.8	12.3	12.1	13.0
Residential Rental Yield (Nationwide Average)	%									
Residential Rental Yield (Capital City Average)	%	13.0%	11.5%	10.6%	10.5%	6.5%	5.1%	8.1%	8.2%	7.7%
House Price To Gross Wage (Nationwide Average)	years	8.28	11.43	14.10	14.55	15.69	15.63	10.88	8.93	8.34
House Price Per sqm, USD (Nationwide Average)	USD per sqm	212	344	469	543	764	1,021	762	653	671
House Price Per sqm (Capital City Average)	USD per sqm	470	647	777	861	1,269	1,744	1,236	1,062	1,087
Price Of Land For Residential Building (Nationwide)	USD per sqm									
Price Of Land For Residential Building (Capital City)	USD per sqm									

MORTGAGE LENDING		2003	2004	2005	2006	2007	2008	2009	2010	2011
Mortgage Loans	USD mil	257	693	1,186	2,306	4,193	5,505	6,150	5,953	5,836
Mortgage Loans (As Of GDP)	%	1.2%	2.7%	4.1%	6.9%	10.0%	10.6%	12.7%	12.5%	10.9%
Mortgage Loans Per Capita	USD	33	89	153	299	547	722	810	791	780
Mortgage Loan Interest Rate (Average, CZK)	%				8.6%	8.7%	9.0%	9.6%	9.3%	9.3%
LVR On Mortgage Loan Book (Nationwide Average)	%									
Number Of Mortgage Loans	mil	0.01	0.02	0.03	0.05	0.09	0.11	0.13	0.13	0.12
Average Size Of Mortgage Loan	USD	39,592	43,537	43,544	43,946	47,968	51,478	48,818	46,400	48,677
Households With Mortgage Loan (As Of Total)	%	0.22%	0.55%	0.95%	1.83%	3.05%	3.71%	4.3%	4.5%	4.2%
Number Of Mortgage Loans (As Of Housing Stock)	%	0.18%	0.43%	0.73%	1.41%	2.33%	2.84%	3.33%	3.4%	3.1%

Source: World Bank, National Statistical Office, National Central Bank, OECD, United Nations, Helgi Analytics calculation. For more details, description and explanation of particular indicators, please, visit [www.helgilibrary.com](http://www.helgilibrary.com)



MACROECONOMIC ROUND-UP		2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP	USD bil	20.7	25.3	28.9	33.2	42.1	51.8	48.6	47.7	53.5
GDP Growth	%	5.5%	6.7%	6.4%	6.5%	6.4%	6.2%	-5.5%	0.4%	1.7%
GDP Per Capita	USD	2,642	3,249	3,733	4,313	5,498	6,798	6,403	6,335	7,158
Industrial Production Growth	%	13.0%	12.8%	6.9%	6.0%	9.6%	0.6%	-17.4%	1.0%	4.9%
Retail Sales Growth	%									
Government Budget Balance (As % Of GDP)	%	-0.9%	2.2%	3.0%	2.2%	1.5%	0.8%	0.4%	-2.4%	
Public Debt (As % Of GDP)	%	46%	40%	29%	23%	19%	15%	16%	15%	15%
Unemployment Rate	%	13.7%	12.0%	10.1%	9.0%	6.9%	5.6%	6.8%	10.2%	11.2%
Gross Average Monthly Wage	USD	160	188	208	233	304	408	438	457	503
Foreign Debt (As % Of GDP)	%	65%	67%	62%	82%	101%	100%	114%	105%	
Imports (As % Of GDP)	%	59%	63%	56%	79%	79%	79%	56%	59%	66%
Exports (As % Of GDP)	%	49%	52%	41%	61%	60%	58%	48%	57%	67%
Current Account Balance (As % Of GDP)	%	-4.9%	-6.6%	-11.6%	-17.7%	-25.2%	-23.0%	-8.9%	-1.0%	0.9%
Foreign Exchange Reserves (Including Gold)	USD bil	6.8	9.3	8.7	11.8	17.5	17.9	18.5	17.2	17.2
Foreign Exchange Reserves (As % Of Imports)	%	56%	58%	54%	45%	53%	44%	68%	61%	49%
Foreign Direct Investments	USD bil	2.1	2.7	4.1	7.9	13.9	10.3	3.9	1.9	2.6
Foreign Direct Investments (As % Of GDP)	%	10.1%	10.5%	14.2%	23.7%	32.9%	19.9%	8.0%	3.9%	4.8%
Foreign Direct Investments (As % Of CA Deficit)	%	205%	159%	122%	134%	131%	86%	90%	375%	-515%
Workers' Remittances, Received (As % Of GDP)	%	8.3%	6.8%	5.6%	5.2%	4.0%	3.7%	3.3%	2.8%	2.8%
Portfolio Investments (As % Of GDP)	%	-1.0%	-2.1%	-4.5%	1.1%	-2.0%	-2.1%	-1.7%	-1.7%	-0.9%
Development Assistance (As % Of GDP)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

INFLATION, FOREX & INTEREST RATES		2003	2004	2005	2006	2007	2008	2009	2010	2011
Inflation, CPI (Average)	%	2.2%	6.3%	5.0%	7.3%	8.4%	12.3%	2.5%	3.0%	3.4%
Long-Term Interest Rate (10-Year Gov. Bond Yield)	%	6.5%	5.4%	3.9%	4.2%	4.5%	5.4%	7.2%	6.0%	5.4%
Short-Term Interbank Interest Rate (3-Month)	%	3.7%	3.7%	3.6%	3.7%	4.9%	7.1%	5.7%	4.1%	
Interest Spread To USD, 10-Year Gov. Bond	%	2.4%	1.1%	-0.4%	-0.6%	-0.1%	1.7%	4.0%	2.8%	2.6%
Interest Spread To USD, 3M IBOR	%	2.5%	2.2%	0.1%	-1.5%	-0.4%	3.9%	4.8%	3.6%	-0.4%
FX Rate To USD (Average)	per USD	1.73	1.57	1.57	1.56	1.43	1.34	1.41	1.48	1.41
FX Rate To EUR (Average)	per EUR	1.95	1.95	1.96	1.96	1.96	1.96	1.96	1.96	1.96

Source: World Bank, National Statistical Office, National Central Bank, OECD, United Nations, Helgi Analytics calculation. For more details, description and explanation of particular indicators, please, visit [www.helgilibrary.com](http://www.helgilibrary.com)



[www.HelgiAnalytics.com](http://www.HelgiAnalytics.com)

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Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit [www.helgilibrary.com](http://www.helgilibrary.com) or contact us at [info@helgianalytics.com](mailto:info@helgianalytics.com).

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