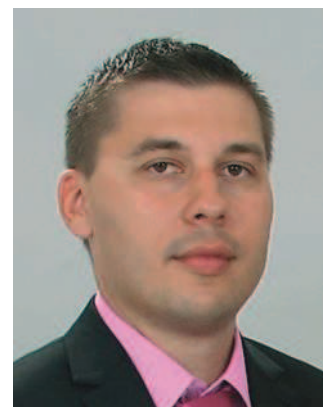


COMPARISON OF BULGARIAN AND POLISH RESIDENTIAL MARKET AS AN EXAMPLE OF VARNA, POZNAN AND KALISZ



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Introduction

This publication provides a comparative analysis of residential real estate market of three cities – Varna in Bulgaria, Poznań, and Kalisz in Poland. Both countries belong to the former socialist block, where modern history of free real estate market is quite short and stormy. The authors set themselves the goal of showing the specificity of Varna on the background of the two largest urban centers of the Greater Poland Region. Of course, this is an attempt to show the specifics and certain differences of foreign real estate market of the city that has the informal title of capital of the Bulgarian Black Sea coast. The aim of the research is to verify the scale of diversity or similarity in the functioning of urban (agglomeration) housing market in 2011-2014. The data presented in the article comes mostly from the resources of public institutions of Bulgaria and Poland.

The Countries

Bulgaria

Bulgaria (Bulgarian: България) is a country in southeastern Europe. It is bordered by Romania to the north, Serbia and Macedonia to the west, Greece and Turkey to the south, and the Black Sea to the east. It covers an area of 110,994 sq km (it is Europe's 14th-largest country).

Bulgaria's population of 7.2 million people is urbanized. The majority of the population lives in cities – administrative centres of Bulgaria's 28 provinces. Most commercial activities are located in the capital city (Sofia). The strongest sectors of the economy are heavy industry, power engineering and agriculture.

Bulgaria has been a democratic country since the adoption of a democratic constitution in 1991. Bulgaria is a parliamentary republic with a high degree of political, administrative, and economic centralization. It is a member of the European Union, NATO, and the Council of Europe.

In the socialist period agriculture and food production were centrally managed, but closely related. Reform of 1989 abolished the central planning of the Bulgarian economy, allowing existing plants to transform itself into independent companies. The main crops there are: cereals (wheat, maize), industrial crops (sunflower, tobacco, cotton) and vegetables (tomato, cucumber, pepper). The cultivation of fruit trees (apples, peaches, plums) and vines (Bulgarian wines) is very important.



Bulgaria is the world's largest exporter of rose oil. The significance of livestock (mainly sheep, cattle and pigs) and forestry is growing. An important sector of the economy is fishing. In addition to local fisheries in the Black Sea and inland waters, Bulgarian trawlers fish in the Mediterranean Sea and the Atlantic Ocean. There are small deposits of copper and iron ore in Bulgaria as well. Energy resources are relatively small: coal, oil and natural gas. Hydroelectric plants generate about one tenth of the national electricity, 3.5 comes from thermal power plants, while the rest from the nuclear power plants built according to the plans of the Soviet. In the communist era there were significant investments in the processing industry. There was high dynamics of production of steel, copper, zinc, lead, as well as machinery and equipment, chemicals and food industry products, supplying the majority of export earnings. Tourism is a source of income as well, especially the Black Sea coast.

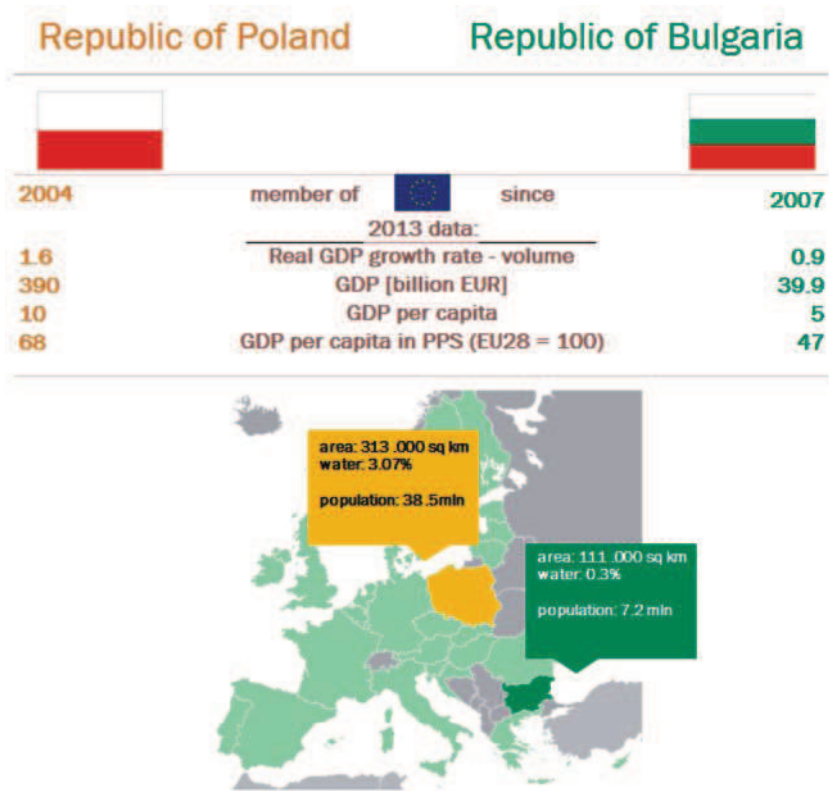
Poland

Poland is a country in Central Europe bordered by Germany to the west; the Czech Republic and Slovakia to the south; Ukraine and Belarus to the east; and the Baltic Sea, Kaliningrad Oblast (a Russian exclave) and Lithuania to the north. The total area of Poland is 312,679 square kilometers, making it the 9th largest in Europe. Its population is over 38.5 million people. Poland is a unitary state divided into 16 administrative subdivisions.

Poland is the post-Communist country and a member of the EU. The privatization of small and medium state-owned companies and a liberal law on establishing new firms have allowed the development of the private sector. Poland's economy is a mixed economy. The state sector currently produces about 25% of GDP.

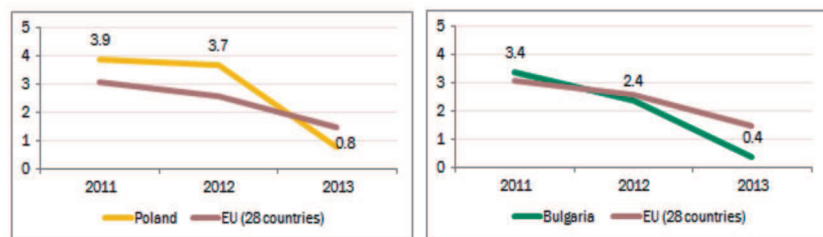


Picture 1
Comparison of Bulgaria and Poland

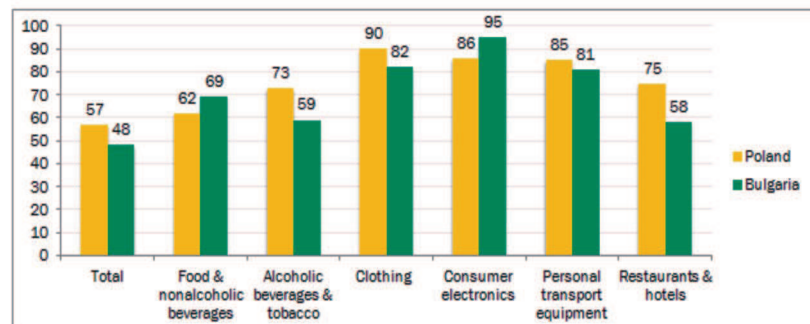


Source: Composed by the authors based on Eurostat.

Picture 2
Price level indices of Bulgaria and Poland



HICP - inflation rate - Annual average rate of change (%)



Price level indices for consumer goods and services 2013 (EU28=100)

Source: Composed by the authors based on Eurostat.

The Cities

Varna

Varna (Bulgarian: Варна) is the largest city and seaside resort on the Bulgarian Black Sea Coast – sometimes referred to as the marine (or summer) capital of Bulgaria – and the third largest city in Bulgaria (after Sofia and Plovdiv). It is the administrative centre of the Varna District, a business and university centre, seaport, and the headquarters of the Bulgarian Navy and merchant marine.

The Varna culture is a record holder, as the oldest golden treasure in the world was discovered in Varna Necropolis, consisting of artifacts dating back to 4750 BC. It was established as Odessos – a colony of Miletus on the western coast of the Black Sea – in 560 BC.

The city occupies 154 sq km. Since antiquity, the city has been surrounded by vineyards, orchards, and forests. Commercial shipping facilities are being relocated inland into the lakes and canals, while the bay remains a recreation area; almost all the waterfront is parkland. The urban area has over 20 km of sandy beaches and abounds in thermal mineral water sources (temperature 35–55°C). Varna has a humid subtropical climate, with considerable maritime and continental influences, with long, mild, akin to Mediterranean, autumns, and sunny and hot, yet considerably cooler than Mediterranean, summers moderated by breezes and regular rainfall.

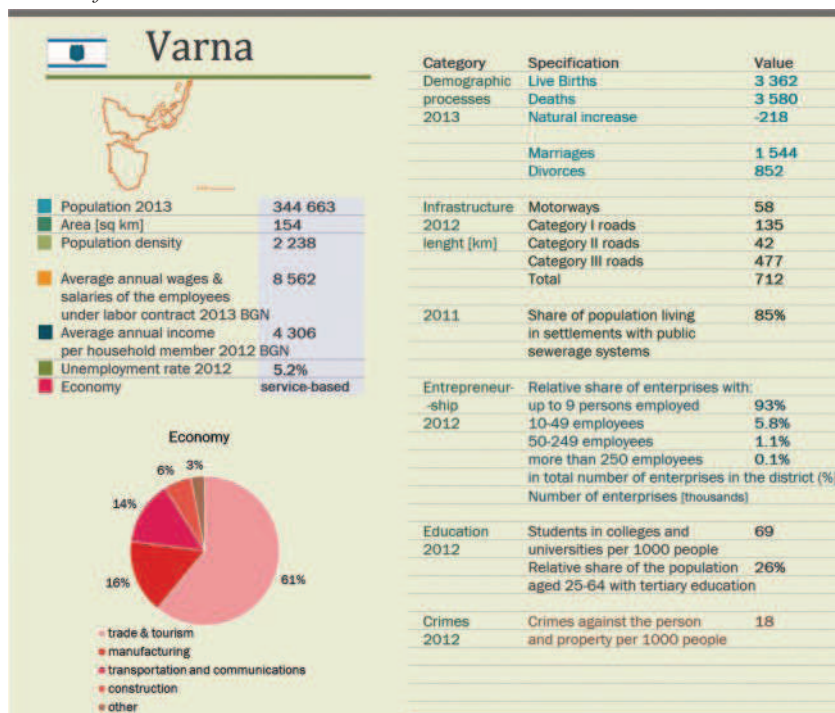
The city lies 470 km north-east of Sofia. Varna is accessible by air (Varna International Airport handles approximately 1.5 million passengers), sea (Port of Varna Cruise Terminal), railway (Central railway station), bus and car. Major roads include European routes: E70 to Bucharest (Romania) and E87 to Istanbul (Turkey) and Constanta (Romania); national motorways A-2 to Sofia and A-5 to Burgas.



Varna

Picture 3

Basic information about Varna

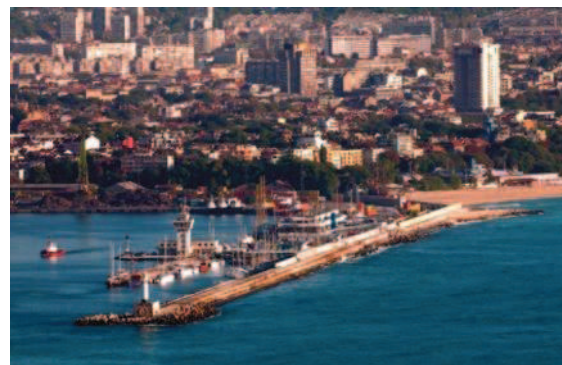


Source: Composed by the authors based on: National Statistical Institute of Bulgaria; Eurostat

The economy is service-based, with 61% of net revenue generated in trade and tourism, 16% in manufacturing, 14% in transportation and communications and 6% in construction.

There are five universities in Varna. The University of Economics, which was founded in 1920 as the Higher Business School, is the Bulgaria's first Higher School of Commerce and the second oldest Bulgarian university, the oldest one outside Sofia. The Nikola Vaptsarov Naval Academy is successor to the nation's oldest technical school, the Naval Machinery School, established in 1881 and renamed His Majesty's Naval Academy in 1942. There are also: the Medical University, the Technical University, the Chernorizets Hrabar Varna Free University, three junior colleges, and two local branches of other Bulgarian universities. In 2012, there were about twenty four thousand students in Varna.

By 1878, Varna was an Ottoman city of mostly wooden houses in a style characteristic of the Black Sea coast, densely packed along narrow, winding lanes. The city centre was rebuilt by the nascent Bulgarian middle class in late 19th and early 20th centuries in Western style with local interpretations of Neo-



Varna

Renaissance, Neo-Baroque, Neoclassicism, Art Nouveau and Art Deco. A lot of buildings underwent renovations. During the rapid urbanization of the 1960s to the early 1980s, large apartment complexes sprawled onto land formerly covered by small private vineyards or agricultural cooperatives as the city population tripled. Beach resorts were designed mostly in a sleek modern style, which was somewhat lost in their recent, more lavish renovations. Modern landmarks of the 1960s include the Palace of Culture and Sports, built in 1968. With the country's return to capitalism since 1989, upscale apartment buildings mushroomed both downtown and on uptown terraces overlooking the sea and the lake.

Poznan

Poznan is a city on the Warta river in west-central Poland, the Greater Poland region. The city population is about 550,000, while the continuous conurbation with Poznan District and several other communities is inhabited by almost 1.1 million people. Poznan was established in the 10th century and got the town rights in 1253.

The climate of Poznan is within the transition zone between a humid continental and oceanic climate and with relatively cold winters and warm summers. Snow is common in winter, night-time temperatures are typically below zero. In summer temperatures often reach 30°C. Annual rainfall is less than 500 mm, among the lowest in Poland.

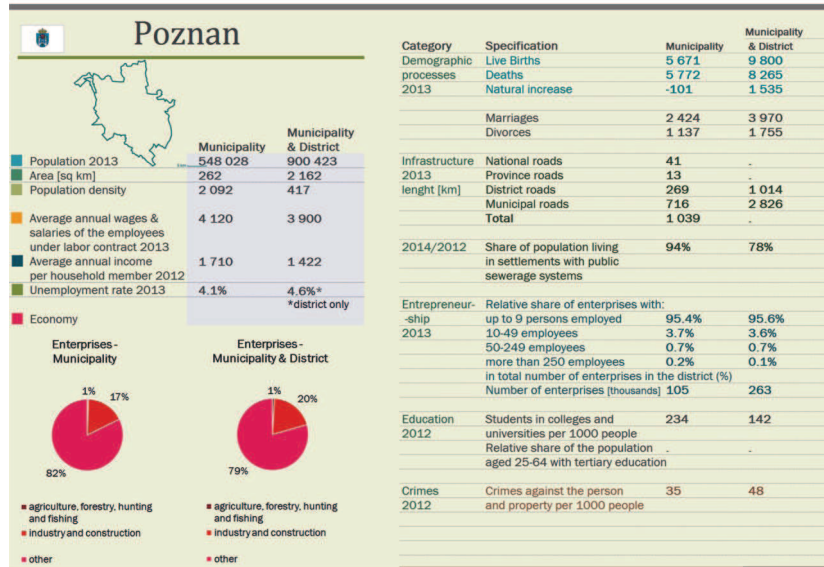
Poznan is divided into 5 districts and 42 neighbourhoods.

Poznan has been an important trade centre since the Middle Ages. Starting in the 19th century, local heavy industry began to grow: several major factories were built (including the Hipolit Cegielski steel mill and railway factory). Nowadays Poznan is one of the major trade centers in Poland. The city is regarded as the second most prosperous city in Poland (after Warsaw).

Public transport system consists of trams and buses. Poznan is also accessible by air (the airport handles approximately 1.5 million passengers) and railway. The main east-west A2 motorway connects the city with Berlin in the west and Warsaw in the east.

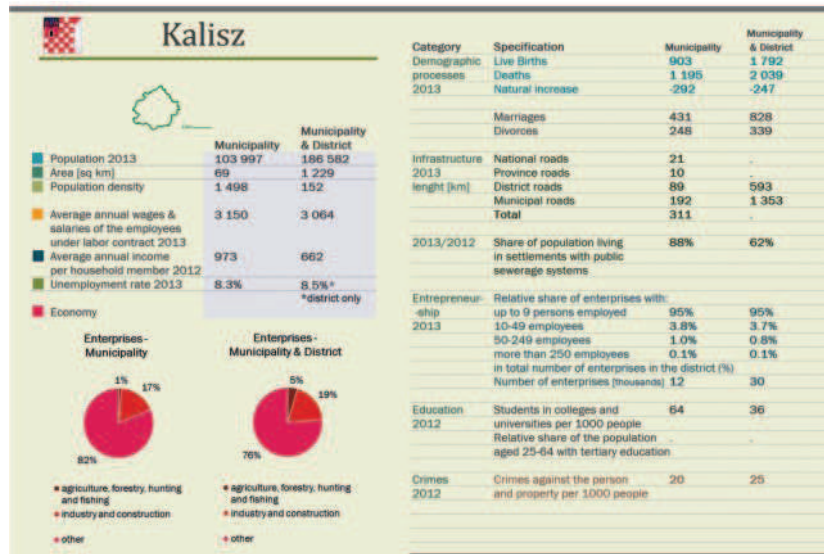
Poznan is one of the four largest academic centers in Poland. The number of students in the city of Poznan is about 130,000. There are many state-owned universities in Poznan: Adam Mickiewicz University is one of the most influential and biggest universities in Poland, there are also: University of Fine Arts in Poznan, Academy of Music in Poznan, Poznan University of Economics, Poznan University of Medical Sciences, Poznan University of Technology, Poznan University School of Physical Education, University of Life Sciences in Poznan. There is also a great number of smaller, mostly private-run colleges and institutions of higher education.

Picture 4
Basic information about Poznan



Source: Composed by the authors based on: Central Statistical Office of Poland; Eurostat

Picture 5
Basic information about Kalisz



Source: Composed by the authors based on: Central Statistical Office of Poland; Eurostat

Kalisz

Kalisz is a city in central Poland with more than 100,000 inhabitants, it is situated on the Prosna river in the southeastern part of the Greater Poland, it is a second largest city in this part of Poland, after Poznan. Kalisz has long been considered to be the oldest city of Poland, having been mentioned by Ptolemy in the 2nd century, it got the town rights after 1257.

Kalisz is an important regional industrial and commercial centre, with many notable factories: enterprises

of food industry, confectionery, clothing, as well as those belonging to the aviation cluster. The town used to be the site of the former 'Calisia' piano factory.

Transport system in Kalisz consists of buses. Kalisz is also accessible by railway and cars, but there are no motorways within a distance of several kilometers.

The President Stanislaw Wojciechowski Higher Vocational State School has been established in Kalisz, there are also some local branches of Polish – state-owned and private – universities.

Residential real estate market comparison

Examination of the residential real estate markets in three cities (Varna, Poznan and Kalisz) in two countries requires the introduction of conditions for comparability of statistical data and markets. The authors have found a kind of disadvantage in terms of the conduct of official statistics in Bulgaria and Poland, which is the result of different inner administrative division of the country. Polish big regions and smaller districts are not directly comparable to Bulgaria, where small regions function. Due to the availability of statistical data at the regional level in Bulgaria authors established that the fundamental spatial unit of analysis will be Varna District, which is functionally closest to the concept of large, strong Polish districts (cities with districts which circle them, creating together a kind of agglomeration). Developed urban areas (Varna, Poznan, Kalisz) are configured in such a dominant economy, and determine most of the decisions of participants in real estate market. The distance from the borders, as outlined territorial units, to a central urban center usually does not exceed 30-60 km, which makes it both accessible, and commercially useful. It turned out that the researched centers concern about 60-80% of the population's potential analyzed in the background of neighboring administrative units. Therefore, searching for analogies in the conditions and behavior of the participants of residential real estate market, together with the idea of comparing the total convergent of the Greater Poland Region (with population of about 3.5 million) with the Varna District (population of approximately 0.5 million) was apparently rejected. The exception to this rule was the analysis of transaction prices, which was based on data from the cities (municipalities).

Although Varna is the third largest urban center in Bulgaria (after Sofia and Plovdiv) and prices of residential properties in Varna are the second highest in Bulgaria (after the capital – Sofia), and remains an informal capital of the Bulgarian Black Sea coast, unit prices of flats in the secondary market in 2011-2014 accounted for about 60% of the price of Poznan. At the same time the prices of Poznan remained at a level similar to typical Kalisz prices, usually exceeding them only by 10-15%. In the analyzed period the typical level of residential properties prices in Varna, 700-750 EUR/sq.m. should be considered (Table 1).

Table 1

Average residential transaction prices on the secondary market in Cities: Varna, Poznan and Kalisz

City	Currency*	Quarter of year							
		Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Varna	[EUR/sq m]	764	771	764	744	736	731	729	729
	[BGN/sq m]	1495	1509	1493	1455	1439	1429	1426	1425
	[PLN/sq m]	3066	3075	3368	3285	3062	3113	2999	2978
Poznan	[EUR/sq m]	1376	1335	1220	1190	1297	1211	1233	1239
	[PLN/sq m]	5520	5321	5380	5254	5396	5159	5074	5067
Kalisz	[EUR/sq m]	690	706	617	611	656	637	669	596
	[PLN/sq m]	2767	2814	2723	2697	2728	2712	2755	2513

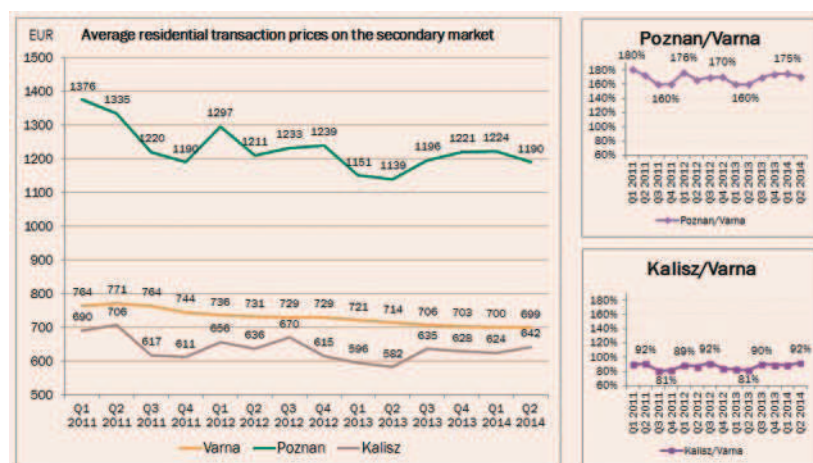
City	Currency*	Quarter of year							
		Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014		
Varna	[EUR/sq m]	721	714	706	703	700	699		
	[BGN/sq m]	1410	1396	1381	1375	1370	1367		
	[PLN/sq m]	3011	3090	2978	2915	2922	2907		
Poznan	[EUR/sq m]	1151	1139	1196	1221	1224	1190		
	[PLN/sq m]	4807	4932	5042	5062	5104	4951		
Kalisz	[EUR/sq m]	596	582	635	628	624	642		
	[PLN/sq m]	2488	2518	2679	2604	2602	2671		

* 1 EUR=1.95583 BGN – In Bulgaria there is a currency board – a monetary authority which is required to maintain a fixed exchange rate with a foreign currency. This policy objective requires the conventional objectives of a central bank to be subordinated to the exchange rate target. The currency rate PLN to EUR used in calculations to the Table 1 was the average price announced by NBP on the last day of each quarter (<http://nbp.pl/homen.aspx?c=ascx/ArchAen.ascx>).

Source: Composed by the authors based on: National Statistical Institute of Bulgaria; National Bank of Poland; Property House

Picture 6

Average residential transaction prices [EUR / sq m] on the secondary market in Cities: Varna, Poznan and Kalisz



Source: Composed by the authors based on: National Statistical Institute of Bulgaria; National Bank of Poland; Property House.

Part of residential real estate market in Bulgaria, especially apartments located at the seaside of Black Sea are commonly bought by foreigners. In recent years, interest in the market of holiday apartments on the part of the Russians grows. Residential real estate market in Bulgaria is one of the favorite foreign markets of the Russians. Almost 350,000 Russians have already bought

houses in Bulgaria. Russians in 2013 purchased 10% more flats than the year before. Approximately 80% of Russian buyers start searching for real estate in Bulgaria from freestanding house with a plot and a garden, but finally they purchase an apartment in the seaside resort. Additionally, interest in luxury real estate segment increases.



Poznan

In the analyzed period, there were no dynamic price changes. In the three urban centers, price fluctuations from quarter to quarter were usually in the range of 1-5%, and the scale of several years of analysis tended to stabilize, with minor fluctuations. Among the three cities analyzed, the market of Varna in Bulgaria proved to be the most stable. (Table 2).

Number of completed residential buildings in the analyzed cities shows different behavior of domestic markets. The investors behaved most stable in the district of Poznan. In the district of Kalisz significant fluctuations from year to year were recorded, while Varna observed a decrease in the number of completed buildings. In relation to 1000 people more residential buildings were delivered for use in Polish cities than in Varna – in Kalisz about 2-2.5 times more, and in Poznan even 3-3.5 times more (Table 3 and 4).

Number of completions of new dwellings in the analysis of quarterly seasonality shows a typical construction output – the highest activity usually falls within the second and third quarter of the year. Investors in the Kalisz market behaved most unstable and the buyers in Varna were most stable, where the seasonability was the lowest (Table 5). Poznan proved to be the most active market where about 1,500 new dwellings per quarter were delivered for use.



Kalisz

Table 2

Change of residential transaction prices on the secondary market in Varna, Poznan and Kalisz (previous quarter = 100%)

City	Currency	Quarter of year							
		Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	
Varna	[EUR/sq m]	100.95%	98.98%	97.41%	98.92%	99.31%	99.78%	99.94%	
	[PLN/sq m]	100.31%	109.53%	97.53%	93.21%	101.68%	96.32%	99.32%	
Poznan	[EUR/sq m]	97.01%	91.38%	97.53%	109.00%	93.37%	101.88%	100.49%	
	[PLN/sq m]	96.39%	101.11%	97.66%	102.70%	95.61%	98.35%	99.86%	
Kalisz	[EUR/sq m]	102.34%	87.45%	98.92%	107.35%	97.09%	105.23%	91.79%	
	[PLN/sq m]	101.70%	96.77%	99.05%	101.15%	99.41%	101.59%	91.22%	

City	Currency	Quarter of year					Average rate of change
		Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	
Varna	[EUR/sq m]	99.02%	98.96%	99.51%	99.67%	99.75%	99.32%
	[PLN/sq m]	102.62%	96.38%	97.87%	100.25%	99.50%	99.66%
Poznan	[EUR/sq m]	99.00%	104.97%	102.07%	100.25%	97.24%	99.00%
	[PLN/sq m]	102.60%	102.23%	100.40%	100.83%	97.00%	99.20%
Kalisz	[EUR/sq m]	92.13%	91.06%	90.47%	93.08%	84.31%	99.42%
	[PLN/sq m]	96.82%	94.11%	94.04%	96.53%	91.00%	99.79%

Source: Composed by the authors based on own calculations

Table 3

Number of new buildings put into operation in Varna District, Poznan District and Kalisz District

Administrative unit	Number of buildings			Rate of change in number of buildings (previous year = 100%)	
	2011	2012	2013	2012	2013
Varna District	527	443	427	84.06%	96.39%
Poznan District	3300	3496	3304	105.94%	94.51%
Kalisz District	441	533	363	120.86%	68.11%

Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.

Table 4

Number of new buildings put into operation in Varna District, Poznan District and Kalisz District per 1000 inhabitants

Administrative unit	Number of buildings per 1000 inhabitants		
	2011	2012	2013
Varna District	1.11	0.94	0.90
Poznan District	3.70	3.90	3.67
Kalisz District	2.35	2.85	1.95

Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.

Table 5

Number of new apartments put into operation in Varna District, Poznan District and Kalisz District

Period	Number of apartments		
	Varna District	Poznan District	Kalisz District
Q1 2011	575	1487	145
Q2 2011	563	1472	146
Q3 2011	779	2027	65
Q4 2011	815	1850	166
Q1 2012	448	1216	307
Q2 2012	536	1682	124
Q3 2012	485	1904	100
Q4 2012	475	1818	192
Q1 2013	546	1379	118
Q2 2013	592	1689	60
Q3 2013	640	1409	111
Q4 2013	551	1717	78

Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.



The Oldest Gold In the World - Varna, Bulgaria
Source: <http://www.anistor.gr/english/enback/o033.htm>

In relation to the number of residents once again the highest activity of the Poznan market is visible. The rate of the number of new dwellings completed per 1000 inhabitants in the analyzed years in the district of Poznan was 1.5-2.0, which was about 20-35% higher than in the district of Varna. In the district of Varna, in turn, it was higher by about 40-50% than in the district of Kalisz (Picture 7).

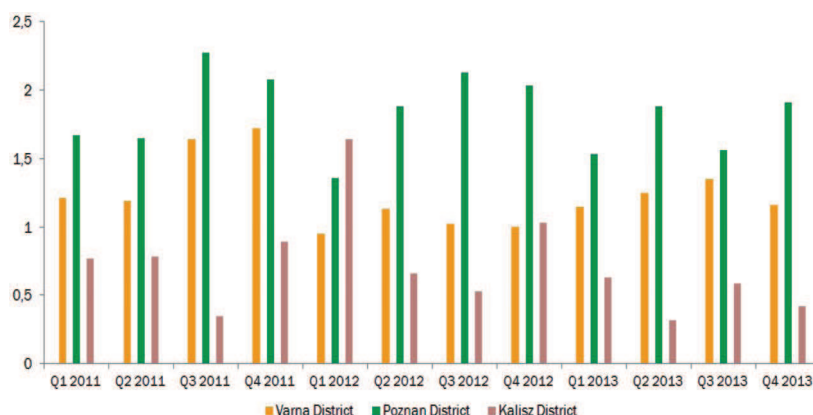
Of course, the size of the new supply of usable area expressed in square meters derives from the number of these apartments. However, in relative terms, (per 1000 residents) we can see that people are most confident to build in the district of Poznan, where the results in each quarter of the analyzed years were about 40-100% higher than in the district of Varna. Investors in the district of Kalisz behaved unstable, although in most of the analyzed quarters the indicators for Kalisz district remained at fairly close level to the Varna's (Picture 8).



Varna

Picture 7

Number of new apartments put into operation in Varna District, Poznan District and Kalisz District per 1000 inhabitants



Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.

Table 6

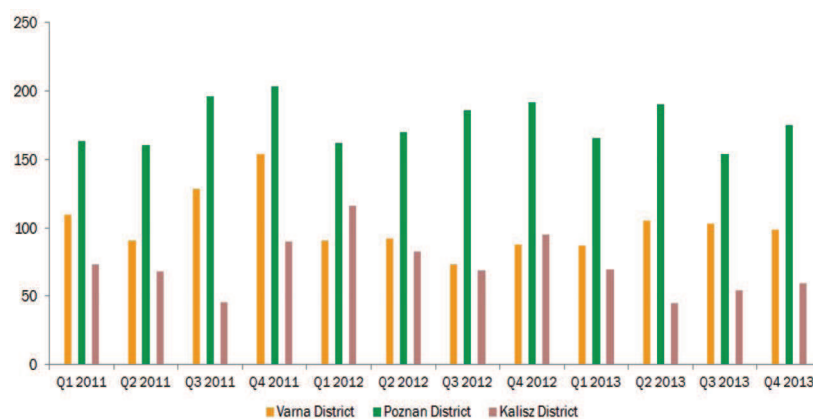
Useful area of new apartments put into operation in Varna District, Poznan District and Kalisz District

Period	Useful area of new apartments [sq m]		
	Varna District	Poznan District	Kalisz District
Q1 2011	51,848	145,759	13,757
Q2 2011	42,917	143,091	12,759
Q3 2011	60,846	174,497	8,559
Q4 2011	73,040	181,529	16,846
Q1 2012	42,890	144,915	21,743
Q2 2012	43,599	152,338	15,529
Q3 2012	34,836	166,223	12,848
Q4 2012	41,716	171,754	17,785
Q1 2013	41,215	149,334	13,013
Q2 2013	49,770	171,570	8,377
Q3 2013	48,825	138,375	10,180
Q4 2013	46,748	157,673	11,063

Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.

Picture 8

Useful area of new apartments put into operation in Varna District, Poznan District and Kalisz District per 1000 inhabitants



Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.

Housing stock in the surveyed cities was growing. It is a good phenomenon, demonstrating the improving housing conditions, and consequently – increasing the standard of living. Polish cities demonstrated a significantly worse situation in this area than the Varna District. The difference was in the range of 30-35%, indicating a significantly better conditions for meeting the housing needs of the residents in Varna and the surrounding area than in cities in the region of the Greater Poland (Table 7-8).

Permits issued for construction of residential buildings are an important indicator of the socio-economic welfare, because they reflect the attitude, the investment climate, social climate and the current economic carrying capacity of local communities. In the period of the survey strong declines in investment activity in the Poznan district could be observed, the same phenomenon, but definitely softer, was marked in the district of Varna, while the local market in Kalisz district was stable (Table 9).

Varna District residential real estate market – detailed information

New apartments most commonly look like the rooms in apartment hotels: small rooms and a small kitchen area, but wide and spacious balconies (terraces), moreover, there is a neighborhood with a pool, restaurant, bar, green lawns and playgrounds for children. It is very important to point out that the developers in Bulgaria calculate flat areas by the outside line (including walls, balconies etc.). This is also the official information in Bulgarian Notary Deeds. Before 1989 the balconies were not a part of the flats area, but now for the new buildings it is a common practice to include it. The difference in calculating the flats area can be explicable by the seaside lifestyle. Whole life in the summer usually passes outside, an apartment is necessary only for sleeping at night. People would even go out to have a breakfast or a dinner, in case somebody wants to have a meal at home, they have it only on the balcony, overlooking the sea, or, at least, the pool. For this reason balcony terraces are commonly very wide as they need a space for a table, chairs, and often even a sofa. When determining the price of an apartment in Bulgaria, the quadrature of balconies, of course, is a residential area.



Table 7
Stock of apartments in Varna District, Poznan District and Kalisz District

Administrative unit	Number of apartments in the stock		
	2011	2012	2013
Varna District	245,954	247,880	250,198
Poznan District	347,279	353,170	.
Kalisz District	64,065	64,714	.

Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.

Table 8
Stock of apartments in Varna District, Poznan District and Kalisz District per 1000 inhabitants

Administrative unit	Number of apartments in the stock per 1000 inhabitants		
	2011	2012	2013
Varna District	518.51	523.60	527.76
Poznan District	389.57	394.39	.
Kalisz District	341.78	345.85	.

Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.

Table 9
Building permits for residential buildings in Varna District, Poznan District and Kalisz District

Period	Building permits for residential buildings								
	Varna District			Poznan District			Kalisz District		
	Number of buildings	Number of apart.	Built-up area [sq m]	Number of buildings	Number of apart.	Built-up area [sq m]	Number of buildings	Number of apart.	Built-up area [sq m]
2011	437	1,714	234,297	3,143	8,592	813,252	360	580	74,457
2012	392	1,708	220,434	2,740	8,460	702,331	344	371	58,072
2013	342	1,503	201,481	2,239	5,871	515,297	346	626	75,412

Source: National Statistical Institute of Bulgaria; Central Statistical Office of Poland.

Table 10
Number of new residential buildings put into operation in Varna District

Period	Total	Panel	Concrete/Armoured	Brick	Others
Q1 2011	104	-	79	24	1
Q2 2011	100	-	86	14	-
Q3 2011	135	-	113	22	-
Q4 2011	188	-	140	46	2
Q1 2012	98	-	61	37	-
Q2 2012	115	1	65	44	5
Q3 2012	99	-	58	40	1
Q4 2012	131	-	84	45	2
Q1 2013	96	-	67	26	3
Q2 2013	121	-	75	43	3
Q3 2013	99	-	64	34	1
Q4 2013	111	1	68	39	3
Q1 2014	87	-	57	30	-
Q2 2014	86	-	60	25	1

Source: National Statistical Institute of Bulgaria.

Nowadays, the developers calculate the common parts of the buildings – e.g. stairs, lifts etc. An example of this phenomenon is: if someone buys an apartment which is 120 sq m and the price is 800 EUR per sq m than the final price should be 96,000 EUR. But what the client exactly buys is: about 20 sq m common parts of the building (usually this part is about 20% more than flat area), about 10 sq m of balconies, about 20 sq m of walls and about 70 sq m inside area. So if the price would be calculated by inside area, like in Poland, the real price per sq m is close to 1400 EUR, not 800 EUR. That kind of calculations take place only for apartments in new buildings (put into operation in the last years).

Investors in the Varna District showed regular activity, putting into use about 90-130 residential buildings quarterly (Table 10). Typically, in the last quarter of the year, the number of finalized projects increased significantly. This is probably the effect of seasonality, resulting from a desire to close the ongoing construction activities before winter. About 80% of the buildings are constructed in concrete (armored) technology.

2 and 3-bedroom dwellings dominated among housing completions in the analyzed period. They provided a response to market demand. A total group of 2-room apartments accounted for nearly 49% of the supply of new housing, there were 27% of 3-bedroom, 10% of studios, and 7% of 4-room apartments (Table 11).

In total housing stock in Varna District 2-room apartments accounted for 36%, 3-room – 34%, 4-room – 14%, and studios – 10%. Today flats are less sought-after – than the former structure of the housing stock would suggest.

About 70% of all transactions on real estate market in the Varna District were sellings, 12% were made-up by donations, 11% – conventional mortgage, 5% – legal mortgage and only 1% comes from replacements. This structure shows that the main factor is the game of supply and demand – free real estate market.



Varna

Table 11

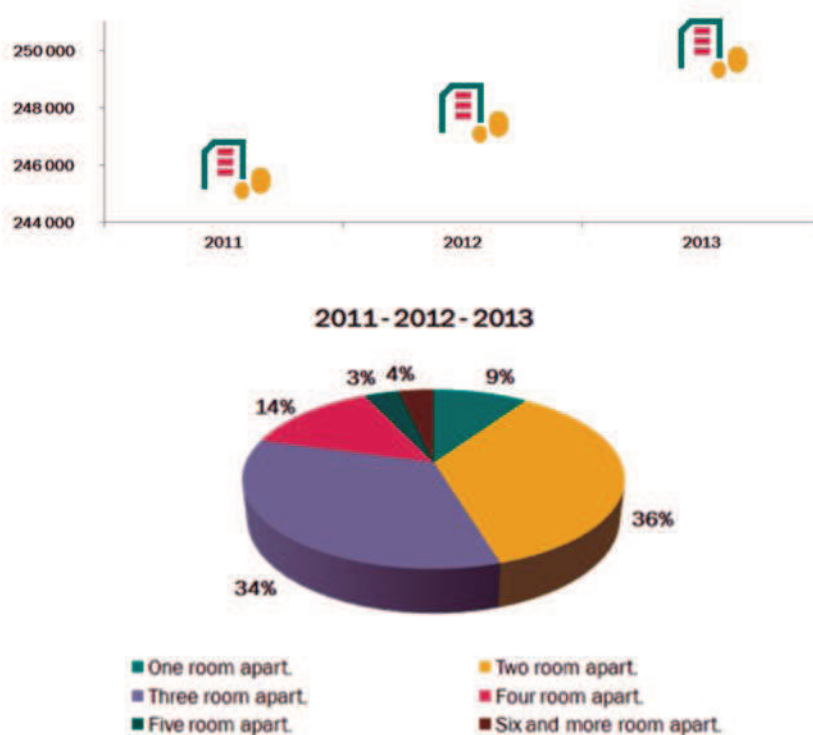
Number of new apartments put into operation by number of rooms in Varna District

Period	Total	One room apart.	Two room apart.	Three room apart.	Four room apart.	Five room apart.	Six and more room apart.
Q1 2011	575	53	204	222	49	23	24
Q2 2011	563	20	350	135	22	15	21
Q3 2011	779	132	341	205	55	24	22
Q4 2011	815	43	351	241	96	42	42
Q1 2012	448	26	199	154	25	24	20
Q2 2012	536	60	241	159	29	24	23
Q3 2012	485	73	223	106	47	16	20
Q4 2012	475	45	180	161	40	29	20
Q1 2013	546	85	252	152	28	16	13
Q2 2013	592	62	277	157	52	31	13
Q3 2013	640	63	389	140	25	8	15
Q4 2013	551	41	249	179	44	24	14
Q1 2014	821	67	481	206	38	13	16
Q2 2014	781	127	459	125	38	15	17

Source: National Statistical Institute of Bulgaria.

Picture 9

Number of apartments in the stock by number of rooms in Varna District



Source: Composed by the authors based on National Statistical Institute of Bulgaria.

Table 12

Number of transactions on real estate in Varna District

Period	Sellings	Donations	Replacements	Legal mortgage	Conventional mortgage
2011	10125	1780	166	768	1939
2012	9611	1723	178	672	1484
2013	10461	1771	232	771	1470
Q1-Q2 2014	4503	736	111	413	734

Source: Registry Agency of Bulgaria.

Conclusions

1) Unit prices of flats in the secondary market in Varna in 2011-2014 accounted for about 60% of the price of Poznan. At the same time the level in Varna remained at a level similar to Kalisz usually exceeding it only by 10-15%. These facts show that generally the level of prices in the residential real estate market in Poland is higher than in Bulgaria.



Varna

- 2) In the three analyzed cities price fluctuations from quarter to quarter were usually in the range of 1-5%, prices tended to stabilize, with minor fluctuations. Varna was the most stable place when it comes to prices.
- 3) Number of completed apartments shows different behavior of local markets. The investors behave most stable in the Poznan district. In the Kalisz district significant fluctuations from year to year have been recorded, while in Varna a decrease in the number of completed buildings has been observed. In relation to 1000 people, more residential buildings were delivered or use in Polish cities than in Varna – in Kalisz about 2-2.5 times more, and in Poznan even 3-3.5 times more.



Kalisz

- 4) Polish cities demonstrated worse situation in housing condition than the Varna District. The difference was in the range of 30-35%, indicating a significantly better possibilities of meeting the housing needs of the residents in Varna and the surrounding area than in cities in the region of the Greater Poland.
- 5) About 80% of the buildings in Varna District are constructed in concrete (armored) technology.

Streszczenie

PORÓWNANIE BUŁGARSKIEGO I POLSKIEGO RYNKU NIERUCHOMOŚCI MIESZKANIOWYCH NA PRZYKŁADZIE WARNY, POZNANIA I KALISZA

W niniejszej publikacji przedstawiono analizę porównawczą rynku nieruchomości mieszkaniowych trzech dużych miast – Warny w Bułgarii oraz Poznania i Kalisza w Polsce. Oba kraje należą do byłego bloku socjalistycznego, gdzie współczesna historia wolnego rynku nieruchomości jest dość krótka i burzliwa. Autorzy postawili sobie za cel ukazanie specyfiki Warny na tle dwóch największych ośrodków miejskich województwa wielkopolskiego. Oczywiście artykuł stanowi także próbę scharakteryzowania rynku nieruchomości mieszkaniowych w zagranicznym mieście, które nieformalnie nosi miano stolicy bułgarskiego wybrzeża Morza Czarnego. Celem badań jest określenie skali zróżnicowania lub podobieństwa w funkcjonowaniu miejskich (aglomeracyjnych) rynków mieszkaniowych w latach 2011-2014. Dane przedstawione w artykule pochodzą głównie z publicznych instytucji w Bułgarii i Polsce.

Trzeba zaznaczyć, że niemały fragment rynku nieruchomości mieszkaniowych w Bułgarii, zwłaszcza apartamenty wakacyjne, zlokalizowane na wybrzeżu Morza Czarnego są często kupowane przez obcokrajowców. Szczególnie aktywni w tym obszarze Rosjanie kupili dotąd 350.000 domów w analizowanym kraju. W 2013 roku nabyli oni o 10% więcej mieszkań niż rok wcześniej. Dodatkowo, w Bułgarii wzrasta zainteresowanie luksusowymi nieruchomościami mieszkaniowymi.

Ceny jednostkowe mieszkań na rynku wtórnym w Warnie w latach 2011-2014 stanowiły około 60% ceny w Poznaniu. Jednocześnie poziom cen w Warnie utrzymywał się na poziomie zbliżonym do poziomu Kalisza, zwykle przewyższając go tylko o 10-15%. Generalnie poziom cen na rynku nieruchomości mieszkaniowych w Polsce jest wyższy niż w Bułgarii.

W trzech analizowanych miastach ceny w ujęciu kwartalnym zmieniały się zazwyczaj w przedziale 1-5%, były raczej ustabilizowane, z niewielkimi wahaniami. Warna wykazywała najwyższą stabilność cenową.

Pod względem liczby oddanych do użytku budynków, znaczące wahania odnotowano w Kaliszu, z kolei inwestorzy w Poznaniu zachowywali się najbardziej stabilnie, natomiast w Warnie zaobserwowano spadek liczby ukończonych budynków. W przeliczeniu na 1000 mieszkańców, więcej budynków mieszkalnych zostało oddanych do użytku w polskich miastach niż w Warnie – w Kaliszu około 2-2,5 razy więcej, a w Poznaniu nawet 3-3,5 razy więcej.

Polskie miasta wypadają gorzej w zakresie warunków mieszkaniowych niż Warnia. Różnica w wielkości zasobów mieszkaniowych na 1000 mieszkańców rzędu 30-35% wskazuje na wyraźnie lepsze możliwości zaspokojenia potrzeb mieszkańców Warny i okolic aniżeli dzieje się to w przypadku zbadanych miast Wielkopolski.

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PRAWO

CENY TRANSAKCYJNE BEZ VAT

W prawomocnym wyroku NSA z dnia 11 kwietnia 2014r. (sygn. akt II OSK 2746/12) sąd odniósł się do kwestii uwzględniania w wycenie podatku VAT stwierdzając, że przy określaniu wartości rynkowej nieruchomości rzeczoznawca majątkowy jako podstawę wyceny stosuje ceny transakcyjne nie zawierające podatku od towarów i usług.

Burmistrz ustalił dla rolniczej spółdzielni produkcyjnej jednorazową opłatę planistyczną na rzecz gminy z tytułu wzrostu wartości nieruchomości. Spółdzielnia zakwestionowała jednak prawidłowość sporządzonego operatu szacunkowego. Zarzuciła, iż wzięto pod uwagę ceny brutto, mimo że działki rolne są zwolnione z podatku VAT. Istota sporu sprowadziła się do rozstrzygnięcia, czy cena transakcyjna nieruchomości w operacie szacunkowym jest ceną netto, czy ceną brutto.

NSA przypomniał przede wszystkim, iż rzeczoznawca majątkowy ustala wartość rynkową nieruchomości, a nie jej cenę. Cena transakcyjna jest efektem podaży i popytu, i to rynek decyduje o jej wysokości. Natomiast zupełnie inną kategorią są podatki, stanowiące narzędzie polityki fiskalnej państwa. Rzecznawca majątkowy nie jest uprawniony do rozstrzygnięcia o naliczaniu lub nienaliczaniu podatku, lecz do ustalenia wartości nieruchomości. Podatki lub inne opłaty są zwykle następstwem zawarcia transakcji, obliczanym od ceny transakcyjnej a nie wliczonym w tę cenę – podkreślił sąd.

Opr. Wojciech Gryglaszewski

AKTUALNOŚCI