

PROPERTY CHECK

DEVELOPER / OFF-PLAN (BULGARIA)

Review: New-build resort, Black Sea coast (anonymised)

Property: ●●● (anonymised), 240 suites (studios, 1-bed, 2-bed)

Location: Seaside resort town on the Bulgarian Black Sea coast - 750 m / 6 min walk to the beach

Developer: ●●● OOD (anonymised) - brand ●●●

Sales: ●●● (external sales agent, anonymised)

Management: ●●● OOD (common areas)

Rental: ●●● EOOD (anonymised)

Form of ownership: Full freehold, notarial deed under Bulgarian law

Completion per contract: 15.12.2025 + 2 months grace = 15.02.2026 - EXCEEDED

Client: Private client (anonymised)

Date: 23.04.2026

Status: Draft contracts reviewed, final signed documents outstanding

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Note

Data basis: investor brochure ●●● (22 pages), marketing slides, price list, floor plans for 11 units (101, 114, 136, 404, 408, 425, 427, 439/440, 503, 504, 521), master plans of all 6 floors, preliminary agreement with five appendices (price & payment plan standard/fast-payer, general provisions, maintenance agreement, rental agreement, house rules) plus a fast-payment addendum. Additionally: public company data ●●● OOD and ●●● EOOD, Airbnb/Airbtics market data ●●● 2025.

All eight contract documents are provided as Bulgarian-English parallel text. Under Art. 25, the Bulgarian version is expressly the legally binding one. The English translation and the Bulgarian version of Art. 25 itself contradict each other on the stated contract languages - see the detailed review.

Not provided: building permit, current land register extract ●●● OOD, commercial register extract, proof of construction progress. For the purchase decision it can be assumed that a building permit and land register entry exist for an established Bulgarian developer with 15+ completed projects. For final assurance they must be requested.

The reviewer was not on site. This report does not replace a legal contract review by a Bulgarian lawyer or a technical on-site inspection.

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Traffic-Light Overview

Four-level traffic light: green (uncritical), yellow (monitor), red (critical, stop), grey (no data available).

Check item	Rating	Comment
Developer ●●● OOD / brand ●●●	●	<i>Established regional developer since 2011, brand since 2007. According to its website, 15+ completed complexes in ●●●.</i>
Reference projects verifiable	●	<i>●●● 1-18, ●●● - actually existing, verifiable on Booking and Airbnb.</i>
Land owned by the seller	●	<i>Plot ●●●, 6,834 m², owned by ●●● per preliminary agreement (notarial deed 28.06.2022).</i>
Building permit legally valid	○	<i>Not provided. Assumption: exists.</i>
Construction & heating	●	<i>Reinforced-concrete frame + brick infill + ETICS + split AC for heating/cooling - standard Bulgarian coastal construction. Structurally solid, energy performance below DACH level. Gas contractually prohibited. Suitable for summer use, more expensive to run year-round.</i>
Completion date per contract	●	<i>Art. 9: 15.12.2025 + 2 months grace = 15.02.2026. As of 23.04.2026 exceeded by over 2 months. No documented delay notification.</i>
Completion guarantee / escrow	●	<i>No contractual protection of buyer instalments. Direct payment to the seller's account (Appendix 1 §3). Standard practice in BG, but a structural pre-financing risk.</i>
Payment plan tied to progress	●	<i>4 instalments + reservation + final payment. Dates left open in the template, linkage to construction progress not bindingly formalised.</i>
Draft purchase contract: structurally fair	●	<i>Several one-sidedly seller-friendly clauses: 30% penalty payments, irrevocable rental and buy-back rights, unilateral price indexation of the furniture package, contradiction in the legally binding language.</i>
Furniture package: negotiable	●	<i>Mandatory purchase from the seller (Appendix 2 §5). Price unilaterally indexable. Per catalogue: studio 14,900 €, 1-bed 19,900–26,900 €, 2-bed 28,900–30,900 €.</i>
Rental agreement: voluntary	●	<i>Art. 17 preliminary agreement: unconditionally and irrevocably tied to ●●● EOOD as soon as the unit is rented out at all. No freedom of choice.</i>
Buy-back pre-emption right on resale	●	<i>Art. 18 preliminary agreement: buyer must first offer the apartment to ●●●. Restricts exit liquidity.</i>
Price per m² in line with market	●	<i>Studio 38 m² from 75,000 € (1,974 €/m²), 1-bed 56 m² from 128,000 € (2,286 €/m²) per website. At the upper end for premium new-build in ●●● (west), but justifiable.</i>
Construction & energy standard	●	<i>Reinforced-concrete frame, brick infill, ETICS, PVC windows, porcelain-tile floors per Art. 3 preliminary agreement - solid south-east European new-build standard. Heating/cooling only via split AC per unit, gas generally prohibited. Energy certificate not provided.</i>

Yield promise (6–9% net, 25% appreciation)	●	<i>Marketing yields assume top-quartile occupancy and ignore contractual deduction and forfeiture clauses. Realistic: 3–5% net after true costing (detailed review).</i>
Form of ownership	●	<i>Full freehold, notarial deed, land register entry. Bulgaria EU, euro since 01.01.2026. Clearly regulated for EU citizens buying apartments.</i>
Legally binding contract language	●	<i>Art. 25: the Bulgarian version prevails. The Bulgarian text names „Bulgarian and Russian“ as contract languages, the English translation names „Bulgarian and English“ - a contradiction within the article itself.</i>
Maintenance clauses (Appendix 3)	●	<i>17 €/m²/year + 20% VAT, unilaterally indexable. 1%/day late penalty, electricity and water cut-off after 2 months, forced rental by the manager up to twice the debt.</i>

Location Assessment

Check item	Rating	Comment
Macro location Bulgaria	●	<i>EU, Schengen (since 01.01.2025), euro (since 01.01.2026), 10% flat tax. Apartment purchase clearly regulated for EU citizens.</i>
Micro location ●●● (west)	●	<i>Per site map 750 m, 6 min walk to the beach, on the land side. Sister projects (●●●) are closer and cheaper. The premium label refers to fit-out, not location.</i>
Infrastructure	●	<i>Fully serviced, regional airport approx. 35 min, supermarket, pharmacy, bus stop within walking distance.</i>
Climate risks	●	<i>Moderate Black Sea climate, no significant hazard zones. Salt aerosol a permanent maintenance factor, not a knock-out criterion.</i>
Resale / exit liquidity	●	<i>Seller's pre-emption right (Art. 18) + ●●● oversupply + 240 units in the same complex as internal competition.</i>

Detailed Review

Developer: ●●● OOD and the three-company structure

The seller is ●●● OOD (EIK ●●●), managing directors ●●●. „●●●“ is the marketing brand of ●●● OOD (source: developer website). Rentals run through ●●● EOOD (same address), management again through ●●● OOD, marketing through ●●● as an external agent. Three legal entities at one address without contractually disclosed shareholder links - to be clarified: who is liable for what in a dispute.

Project

240 units in an X-shaped complex on a 6,834 m² plot, 6 floors, underground garage. Courtyard with four outdoor pools, rooftop sky lounge with water zone, spa, gym, pool bar/restaurant, year-round reception. The floor plans of the 11 units provided show studios of approx. 26 m² net living area, 1-beds approx. 33–47 m², 2-beds from approx. 42 m². The areas quoted in the price list and on the website (38 m² studio, 56 m² 1-bed) include shares of common areas - the actual living area is around 68–70% of that. Art. 2 of the preliminary agreement allows a 5% area tolerance without breach of contract (DACH standard: 1–2%).

Sales structure

●●● (external sales agent, anonymised) is an external marketer, not a contracting party. The „no buyer commission“ claim advertised on the website means: the commission is not added on top of the buyer's price, but included in the purchase price. Amount and payer are not disclosed.

Construction, climate, energy

Construction per Art. 3 preliminary agreement: reinforced-concrete frame with brick infill (Wienerberger or local equivalent), ETICS with EPS and silicate or mineral render outside, flat roof with bitumen waterproofing, PVC windows with double glazing, MDF interior doors, porcelain-tile flooring. This is the standard south-east European new-build specification 2024–2026 - durable and repair-friendly.

Black Sea coast climate: mild winters (January average approx. 3 °C, rarely frost), hot humid summers (July/August 26 °C average, peaks above 35 °C), humidity 60–80% year-round, salt aerosol noticeable even 750 m from the beach. Bulgaria is a moderate seismic zone, this coastal section unremarkable. Main long-term stresses: UV ageing of the flat-roof waterproofing, seal wear of the PVC windows, render weathering on exposed facade sides - maintenance topics, not structural risks.

Heating and cooling exclusively via split AC units per apartment, standard in local holiday apartments. No central heating. Gas in any form prohibited by the house rules (Appendix 5 Art. 4.11) - no gas hob, no gas boiler. Hot water electric. In the off-season (November–March) vacant apartments are not heated - frost protection of risers and balcony drains is the manager's responsibility but not expressly regulated in the maintenance agreement. To be queried. Energy certificate not provided, to be requested at handover per EU rules.

Yield Counter-Calculation

Basis: studio, 38 m² gross area (≈ 26 m² net living area): purchase price 75,000 € per website (turnkey, furniture separate). Furniture package „Studio“ 14,900 € per catalogue. Ancillary costs notary/transfer approx. 3%. Total acquisition cost: approx. 92,150 €.

Market data 2025 for the resort town (AirROI, 12 months to Nov 2025): ADR approx. 68 €/night, average occupancy 46%, i.e. 168 rented nights/year. A top-quartile scenario is plausibly achievable for a premium new-build with rooftop pool and year-round reception.

Item	Amount
Gross rental income (168 × 68 €)	+ 11,424 €
State tax 10% on rental income	- 1,142 €
Tourism tax (approx. 2 €/night)	- 336 €
OTA commissions + categorisation	- 500 €
Subtotal „total income“ per contract	= 9,446 €
Of which 70% owner's share (Art. 9.1 Appendix 4)	= 6,612 €
Maintenance fee gross (38 m ² × 20.40 €)	- 775 €
Cable TV + internet + safe + AC servicing (mandatory)	- 350 €
Linen / furniture reserves	- 500 €
Insurance (mandatory per Appendix 3)	- 150 €
Utilities electricity/water for guests (clause 12.5)	- 400 €
Realistic net income	≈ 4,437 €/year
Net yield on total cost of 92,150 €	≈ 4.8%

The median scenario (32% occupancy = 117 nights) reduces net income to approx. 2,500 € and the yield to around 2.8%. The 240 units in the same complex compete directly with each other for rentals. Plausible net-yield range after true costing: 3–5%.

Additional contractual deductions not included in this calculation: rental income paid out only after 01.02. of the following year (cash-flow delay), non-collection after 12 months = additional fees, after 24 months = forfeiture in favour of ●●● EOOD. With owner use in the peak summer season the owner drops down the rental ranking (clause 16.2 Appendix 4).

Available Units & Prices

The developer's website publicly lists only two prices (as of 23.04.2026, turnkey, furniture separate): studio 38 m² from 75,000 €, 1-bed 56 m² from 128,000 €. Larger 1-bed and 2-bed categories are given in the catalogue with area bands, but the apartment prices are not publicly published (for comparison: 128,000 € / 56 m² equals 2,286 €/m²).

Type	Area incl. common share	Apartment	Furniture package per catalogue
Studio	38 m ² (approx. 26 m ² net)	75,000 €	14,900 € (Studio)
1-Bedroom	from 48 m ²	not publ.	19,900 € Modern / 21,900 € Classic
1-Bedroom	from 52 m ²	not publ.	22,900 € Modern / 24,900 € Classic
1-Bedroom	56 m ²	128,000 €	22,900 € Modern / 24,900 € Classic
1-Bedroom	from 63 m ²	not publ.	24,900 € Modern / 26,900 € Classic
2-Bedroom	from 61 m ²	not publ.	28,900 € Modern / 30,900 € Classic

The 11 sample floor plans provided confirm the size categories. Net living areas (excluding balcony and common shares): 101, 404, 425, 503 approx. 33 m² (1-bed); 114, 136, 427 approx. 26 m² (studio); 408 approx. 34 m² (1-bed); 439/440 approx. 33 m² (1-bed corner unit); 504 approx. 48 m² and 521 approx. 42 m² (both small 2-beds). Plot: 6,834 m², X-shaped complex, orientation per site plan predominantly east-west

with four wings plus a central hinge. Underground garage visible on plan with approx. 120 parking spaces for 240 units (parking entitlement per unit to be clarified).

Contract and Documentation Status

The 8 drafts provided show a standardised, seller-friendly package. The critical clauses summarised:

Preliminary Agreement

Art. 2: 5% area tolerance without breach of contract. Art. 6(3): handover deemed accepted if the buyer is not personally present. Art. 9: completion 15.02.2026 - exceeded. Art. 11(2), 12, 13: in almost all termination scenarios 30% of the purchase price as penalty. Art. 14: only buyer exit option = „objective impossibility“ on the seller's side. Art. 17/18: irrevocable rental and buy-back commitment. Art. 25: contradiction in the stated contract language (BG vs. EN).

Appendix 2 (General Provisions)

§5: mandatory furniture package purchase, price unilaterally indexable to inflation by the seller. §8: renovations in the apartment only permitted 15.10.–15.05. §11: renting out only permitted with standard furnishing, without personal items.

Appendix 3 (Maintenance Agreement)

Unlimited term, non-terminable. 17 €/m²/year + VAT, unilaterally indexable. 1%/day late penalty. After 2 months of non-payment: electricity and water cut-off and forced rental by the manager. On resale: 3 years of maintenance fees as penalty if the agreement is not transferred to the new owner.

Appendix 4 (Rental Agreement, ●●● EOOD)

70% payout after deduction of all state taxes and agency fees. Payout only in February of the following year. Non-collection after 2 years = forfeiture. Cable TV, internet, safe and AC servicing are mandatory annual orders. Linen every 3 years, furniture every 8 years - both from a manager-chosen company. The manager can refuse to rent out an apartment without giving reasons (clause 21).

Appendix 6 (Fast Payment)

Full payment by a deadline = discount (amount open). Any payment delay whatsoever cancels the discount retroactively. Without escrow protection, full advance payment to a developer with unverified construction progress is a first-order risk.

Risk Assessment

- 1. Contract risk (HIGH):** Standardised, structurally seller-friendly contract package. Core problems: irrevocable rental and sale commitment, 30% penalties for almost all termination grounds, 1%/day maintenance late penalty with forced rental, unilateral price indexation of furniture and maintenance, contradiction in the legally binding contract language. Individually renegotiable, asymmetric in sum.
- 2. Completion risk (MEDIUM):** Contractual completion 15.02.2026 (incl. grace period) exceeded as of 23.04.2026. No documented delay notification. Under Art. 11 the buyer theoretically has a claim to penalties or repayment - enforceability depends on construction progress and the seller's conduct.
- 3. Yield risk (MEDIUM):** Marketing yields (6–9% net, 25% appreciation) ignore contract clauses and internal competition within the complex. Realistic: 4–5% net in the top-quartile scenario, approx. 3% in the median scenario. Euro-adoption appreciation effect 2026 expected by the industry at +5–10%, not 25%.
- 4. Sales and company structure (MEDIUM):** Three legal entities (developer, rental company ●●● EOOD, external marketer ●●●) without disclosed shareholder links. Commission structure unknown. Unclear allocation of liability in disputes.
- 5. Market risk (MEDIUM):** Oversupply since the 2005–2008 construction boom not fully absorbed. 240 units in the same complex compete directly. Premium positioning is based on fit-out, not location. Seasonality: 6–7 months of vacancy annually.
- 6. Ownership risk (LOW):** Bulgaria EU, euro, notarial deed, land register entry. Apartment purchase structurally clean for EU citizens.
- 7. Exit risk (MEDIUM):** Contractual buy-back pre-emption right (Art. 18) plus market saturation plus mandatory transfer of the maintenance agreement to the buyer (otherwise a 3-year maintenance penalty). Exit liquidity restricted.

Recommendation

CONDITIONALLY RECOMMENDED - ONLY AFTER RENEGOTIATION

Location, developer reputation and form of ownership are solid. The realistic investment yield is 3–5% net - in line with the market, but far below the marketing claim. The completion date has already been exceeded. Before signing, the following points must be resolved in writing:

1. **Contract language: have the contradiction in Art. 25 corrected.**
2. **Limit or delete the rental commitment (Art. 17).**
3. **Limit in time or delete the buy-back pre-emption right (Art. 18).**
4. **Fix the furniture package price in writing (no indexation).**
5. **Delete the maintenance penalty clauses (Art. 13 Appendix 3).**
6. **Request a written delay notification from the seller.**
7. **Reduce the area tolerance (Art. 2) to 1–2%.**

On the Exceeded Completion Deadline

Contractual completion was due on 15.02.2026 (including the 2-month grace period). As of 23.04.2026 it has been exceeded by more than two months, without the client having received a formal delay notification from the seller. Under Art. 11 and Art. 14 of the preliminary agreement the buyer theoretically has a claim to penalty payments or full repayment. Request the seller's explanation of the delay and the current construction status (date-stamped photos, site supervision protocol).

Next Steps (if the investment is pursued)

1. Have the draft contracts reviewed by an independent Bulgarian lawyer (not one recommended by the seller or the sales agent).
2. Have the five renegotiation points resolved in writing: Art. 25 language, Art. 17/18 irrevocability, Art. 2 tolerance, Appendix 2 §5 furniture fixed price, Appendix 3 Art. 13 electricity cut-off and forced rental deleted.
3. Have the furniture package price fixed in writing (studio 14,900 €, 1-bed 19,900–26,900 €, 2-bed 28,900–30,900 € per catalogue).
4. Note: escrow accounts are unusual in Bulgaria and most likely not enforceable against the developer. Alternative: written linkage of every payment instalment to a concrete construction milestone (shell, roof, windows, handover).
5. Have the commission structure of the external sales agent disclosed (percentage, payer).
6. Request the building permit, a current land register extract for the plot and a commercial register extract of the developer before signing.
7. Decide only after lawyer clearance and written resolution of the renegotiation points. The current market yield of 3–5% net is solid, but not such that it justifies the contractual risks.

Further services: Go/No-Go Audit (from 750 €) | Curation (2,500 €) | Monitoring (from 1,800 €/month)

More information: www.benjaminfercher.at