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**PROGRESS REPORT:
THE DEVELOPMENT OF
THE REAL ESTATE BROKERAGE
AND APPRAISAL INDUSTRY
IN BULGARIA**

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**Prepared for
United States Agency for
International Development**

**The Urban Institute
Washington, D.C.**

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**PROGRESS REPORT:
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in BULGARIA**

THE PRESENT SITUATION

At present, in Bulgaria, there is only a small and limited housing market, and a very limited real estate appraisal industry. As late as 1990, Bulgarian households would wait as long as ten years for the opportunity to purchase a home. There was only one mortgage lender, the State Savings Bank, and both home prices and interest rates were kept at below market levels through state price setting and subsidies. Mortgage interest rates were 2 percent, for a 30 year loan.

In January of 1991, interest rates on all outstanding mortgages were increased to 10 percent. Borrowers had the opportunity of paying off the balance of the loans or accepting the increase. In April, 1991 interest rates for all new mortgage loans increased to over 40 percent, and they currently stand at more than 50 percent.

During this same period, control of home sales and prices was removed from the state and the municipalities and the limitation that families could only own one dwelling removed. Since these changes have occurred, it is reported that home prices in Sofia have increased from 6 to 15 times.

Understandably, with these conditions the housing market is extremely constrained. It is not, however, these conditions that most severely restrict market activity. Bulgarians tend to look upon the purchase of a dwelling as buying an object that will remain in their family forever. Having waited in a queue for ten years or more to obtain the right to purchase a home, they intend to live in it for the rest of their life or pass it along to family members whether they feel it is a desirable dwelling or not. There is little resale or vertical or horizontal mobility in the housing stock.

According to reports, this situation is likely to change as new laws and taxes are passed and if the economic situation worsens. The consensus among housing market analysts is that home prices may fall in the next year. There is divided opinion whether there is a housing shortage. Reportedly, as much as 20 percent of the households in Sofia own a second dwelling that they are holding off the market. There is a consensus that housing quality is low and both construction methods, materials and maintenance must be improved.

Unlike Poland and Hungary, Bulgaria allowed its real estate brokerage profession to disappear during the communist regime. Prior to World War II, this profession did exist, but even government agencies that handled housing did not maintain it from the 1960's forward. If transactions did occur, an attorney represented both sides for a fee, performing more of an escrow or closing function than a brokerage function.

Recently, newspapers such as Contract One have been published. Advertisements in these papers offer property for sale, rent, or exchange and contain offers to buy or rent. The firms publishing the papers do not perform a brokerage function, but do offer legal services and advice for a fee.

Data for property valuation is difficult to obtain. There are, however, municipal cadastre, and, in theory, the cadastre files contain all the data necessary for the sales comparison or cost approach to residential valuation. These data are filed with the Notary for a Municipality and then transferred to the cadastre (see Figure 1). Both the Notary (Recorder) and the Cadastre keep a complete file and in Sofia, these files are in the process of being computerized. Presently the computer files are 90 percent complete. Unfortunately, among the missing 10 percent is the price of a real estate transaction. Anyone can access these data, but if the market should become more active it will be difficult for the Notary (Recorder) or the clerks at the Municipal Cadastre to handle a large volume.

Another problem with the data, especially the price data, is reliability. Bulgaria has a property transfer tax that is a percentage of value. Buyers and sellers of residential and other property misreport the true price of property to avoid this tax. Discussions have been held with the

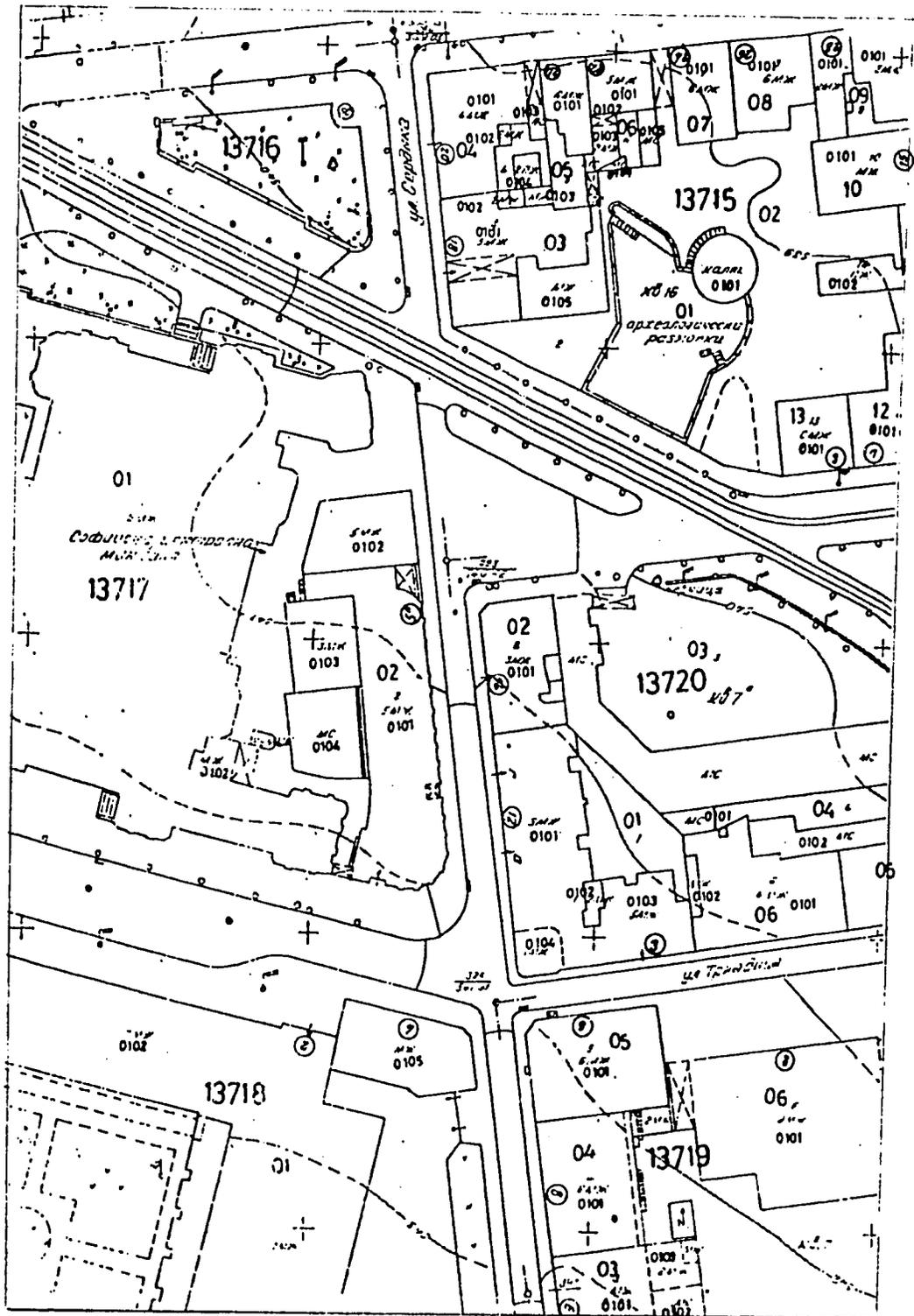


Fig. 1. An Example From the Municipal Cadaster - Sofia

Brokerage and Appraiser Organizational Committee and with government officials about the importance of eliminating or restructuring this tax. The present Bulgarian appraisers get sales price data by paying for it. They contact the buyers and sellers of property, their family members and neighbors and pay them to reveal the correct or actual price. Data collected in this way may be somewhat questionable, but presently they are the best data available.

Although recorders (notaries) and the Municipal Cadastre were visited and their records reviewed, the total number of current property transfers was not ascertained. There is reportedly a central notary file, which aggregates transaction data; members of the Committee are currently trying to access this file and obtain the data. In addition, we have requested a variety of basic land data from the municipal cadastre and will be using these to further develop a picture of the housing market. It is clear, however, that the current level of transactions is down severely from the same quarter of the previous year. This decline is due to both the sharp increase in mortgage interest rates (from 2 percent to over 50 percent within 6 months) and the current uncertainty about the Bulgarian political situation and economy. The few home sales being transacted are mostly in cash, which makes it even easier to misreport the true price. At present, bank financing of residential units is short term (two year) loans ostensibly for the purpose of going into private business or, perhaps, improving a rental property.

This also argues strongly for the creation of a Multiple Listing System (MLS) that will report not only products offered for sale, but also the price and terms of the transaction. This system is being introduced in Hungary and should also be introduced in Bulgaria. Another reason for introducing the MLS is to create a more active market.

Appraisal exists to a limited extent. Nineteen individuals are authorized to perform appraisals and testify upon property values in front of the courts. They use methods that are similar to those used in the west, but the reliability and quality of the available data is suspect.

THE CURRENT PROJECT

The purpose of this project was to reintroduce the real estate brokerage and appraisal professions to assist and expedite the creation of housing markets. The first step was to create a committee of Bulgarians interested in housing and real estate in order to establish an ongoing institution to encourage these professions. Annex C, which is a schedule of the activities of Dr. David Parry from July 2 through July 20 describes the process of creating the foundation for the real estate brokerage and appraisal profession.

These activities consisted of:

- * Finding, qualifying, and recruiting Bulgarian academics and professionals interested in housing to serve on a organizational committee.

- * Organizing the committee and educating the members in various aspects of real estate brokerage and appraisal by distributing written materials and books describing United States real estate principles and practices and by lectures to the committee by Dr. Parry.

- * Determining the availability of necessary data for the appraisal process.

- * Establishing a curricula of courses to educate other Bulgarians in real estate brokerage and appraisal, and selecting a venue for the courses.

All these activities were completed during the visit to Bulgaria or will be accomplished before August 25. Dr. Parry is in continued communication with the committee to ensure their proper completion.

THE COMMITTEE

The U.S.A.I.D. project was the result of an invitation by the Ministry of Building, Architecture and Public Works, and most of the housing related activities are currently coordinated by the National Center for Regional and Urban Development. Since brokerage and appraisal are private sector activities, however, this portion of the A.I.D. Technical Assistance Program should be separate from all governmental bodies and be a completely private sector activity. This necessitated the creation of a private committee.

The committee consists of professionals from public and private sector enterprises that are related to and interested in housing and real estate. The committee members and its structure are described in Annex A. The committee, after the initial meetings, has begun work to establish a Bulgarian Real Estate Broker and Appraiser Association.

The committee was provided with meeting space and assisted with secretarial support by PODKREPA, the Bulgarian Trade Union that is affiliated with the International Association of Free Trade Unions and is presently supported by the AFL/CIO. The committee is considering loose association with PODKREPA in the future, but this was a matter that Dr. Parry felt was best left to the Bulgarians.

The committee is organized with one Director and two Assistant Directors. They have also created six subcommittees (See Annex A) that continue the tasks necessary to ensure a successful program for the lecture series planned to begin August 28, 1991.

The committee is currently filing for status as a nonprofit corporation. The current plan is that the organizational committee will disband after the lecture series is completed and a test is administered to qualify individuals for a Certificate as Bulgarian Real Estate Brokers and Appraisers. The organizational committee and the newly qualified members will meet to transfer management to a permanent Association of Bulgarian Real Estate Brokers and Appraisers.

THE LECTURE SERIES

In the meetings with the Committee, Dr. Parry distributed books and other written materials concerning real property and real estate transactions in the United States and western European countries. He also delivered lectures on Real Estate Principles and Practices, Real Estate Law, Real Estate Ethics, Real Estate Finance, Real Estate Brokerage, and Real Estate Appraisal.

Several members of the committee have lectured at various Universities in Sofia. Other lecturers have been recruited from the University of National and World Economy, Sofia University Department of Law, and the Technical University for Architecture and Town Planning.

The various subcommittees are responsible for the lecturers and the curricula in their respective areas. They are currently preparing extended course outlines in Bulgarian. These curricula will be reviewed by the Curricula and Testing Subcommittee. The schedule of the lectures is presented in Annex B. Note that it covers all topics of real estate principles, but will focus primarily upon housing. Three Appraisal cases will be presented. The lecture series and exams will total 76 hours. Dr. Parry or other Americans will present 13 of the lecture hours while the remaining 58 lecture hours will be presented by Bulgarians. After each homogeneous series of lectures the students will take a practice quiz. They will have 4 days for review and study before returning to take the final exam.

The supervision of the preparation for the lecture series, coordination of the subcommittees, and preparation of documents is the function of the Organization and Coordination Subcommittee. Among the documents to be prepared are programs, advertisements, tests and certificates or diplomas. The program must be sponsored by a body that is currently authorized to award diplomas in Bulgaria. There is tentative agreement that the awarding bodies will be the Center for Regional and Urban Development, The Ministry of Building, Architecture and Public Works, and PODKREPA (the trade union). This will be noted at the bottom of the Certificate which will also contain a statement to the effect that the educational program for real estate brokerage and appraisal has been made possible through the technical assistance of the United States

Agency for International Development.

Additional documents being prepared include various contract forms that Dr. Parry reviewed with the committee (See Box and Figure 2). The Law Subcommittee is editing them to make them consistent with Bulgarian Law and they will be used in the Law and Practice lectures.

There is little need to advertise the lecture series, as idle conversations indicate a strong demand. It is intended to register 20 to 30 students. In addition, all the committee and other lecturers will be invited to attend, bringing the total attendance for the lecture series to 40 to 50 persons. Still, the committee will place advertisements in newspapers. Dr. Parry wrote an article in English explaining real estate brokerage and appraisal, which is being translated into Bulgarian and

placed in several newspapers. He also was interviewed on Radio Sofia about the program and this interview is being played the week of July 22.

**REAL ESTATE FORMS BEING DEVELOPED
FOR USE IN BULGARIA**

Real Estate Purchase Contract and Receipt for
Deposit
Contract Supplement Addendum
Counter Offer
Real Estate Transfer Disclosure Statement
Exclusive Authorization to Locate Property
(Buyer-Broker Agreement)
Residential Lease
Application to Rent and Rental Deposit
Estimated Buyer's Cost
Estimated Seller's Proceeds
Exclusive Authorization and Right to Sell
Non-Exclusive ("Open") Authorization and Right to
Sell
Residential Lease with Purchase Option
Confirmation: Real Estate Agency Relationships
Disclosure Regarding Real Estate Agency
Relationships
Appraisal Report - Individual
Uniform Residential Appraisal Report

FUTURE ACTION

Dr. Parry intends to return to Bulgaria at the end of August to supervise and participate in the lecture series. He is currently speaking with the National Association of Realtors and the American Institute of Appraisers to see if they would wish to participate in the current or future

Property Description & Analysis UNIFORM RESIDENTIAL APPRAISAL REPORT File No.

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		City		County		State		Zip Code		Sale Price \$																																																											
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COMMENTS Depreciation (Physical, functional and external inadequacies, repairs needed, modernization, etc) _____ General market conditions and prevalence and impact in subject/market area regarding loan discounts, interest buydowns and concessions _____																																																																					

Fig. 2. A Portion of the Residential Appraisal Form Being Translated and Adapted to the Bulgaria Context.

lecture program. FIABCI, the international real estate brokerage organization, has also expressed interest.

After this lecture series in Sofia, additional lecture series should be conducted in other regions of Bulgaria. It is hoped that the new professional association will undertake this function. In addition to the lecture series, courses concerning real estate principles, law, brokerage, finance and appraisal should be introduced into all the Bulgarian Universities of Economics, Business and Law; faculty from each University will be invited to attend the lecture series.

ANNEX A

REAL ESTATE BROKERAGE AND APPRAISER ORGANIZATION COMMITTEE

Members:

Evgueni Popov, Economist, National Center for Regional and Urban Development

Zdravka Kalaydjieva, Private Attorney

Vassil Peytchev, Engineer and Director of the Environmental Department, National Center for Regional and Urban Development

Vassil Zlatev, Associate Professor of Economics, University for National and World Economy

Deuka Slavi Atanasova, Architect, Design Bureau SOFPROJECT

Mano Lazanov, Architect, Homes for Everybody

Dr. Eng. Todov Vlaev, Engineer and Manager, METASKILL Partnership

Ilian Vassilev, Economist, C.J. Jones, Ltd. and Euro-Bulgarian Development Corporation, Ltd.

Plamen Sapoundjiev, Civil Engineer and Court Appointed Valuation Expert

Pavlina Todorova, L.D., President Interadvocat Bar Association

Adjunct Members

Vanya Angelova, Translation

Maya Koleva, Economist, National Center for Urban and Regional Planning

George Arpadjиков, Director of the International Department, PODKREPA

Assen Mitchukovsky, Economist and Assistant Professor, Institute of Architecture

Nicholas Stoyanov Arbov, Architect and Department Head, Union of Bulgarian Architects

**PLANNING SUBCOMMITTEES for the
BULGARIAN REAL ESTATE BROKERAGE AND APPRAISAL
ORGANIZATION COMMITTEE**

<u>Committee</u>	<u>Members</u>
ORGANIZATION & COORDINATION COMMITTEE	Vassil Peychev Todor Vlaev Plamen Sapoundjiev George Arpadjiov Adjunct Member
BROKERAGE & ECONOMICS	Evgueni Popov Mano Lazarus Ilian Vassilev
LAW & PRACTICES	Zdranka Kalayjieva Pavlina Todorova
APPRAISAL	Plamen Sapoundjiev Todor Vlaev Vassil Zlatev
PLANNING, CONSTRUCTION & DESIGN	Denka Atanasova Mano Lazarus
CURRICULUM & TESTING	Vassil Zlatev Vassil Peychev Todor Vlaev

ANNEX B

SCHEDULE OF LECTURES Real Estate Brokerage and Appraisal Training Sofia, Bulgaria - August 28 to September 17, 1991

DATE	TIME hrs	TOPIC	LECTURER
August 28	13:00 1	Registration	
Wednesday	14:00 1	Introduction	Peychev
		A. Purpose of the course	
		B. Importance of Real Estate Brokerage and Appraisal to Bulgaria	
		C. The Bulgarian Real Estate and Appraisal Association	
	15:15 4+	Principles of Real Estate	Parry
		A. The Real Estate Professions in western countries	
		B. Real Estate and the Economy	
		C. The steps in real estate transactions:	
		Definitions of Real Estate	
		Real Estate in the Economy	
		Real Estate Rights	
		Transferring Rights	
		The Escrow Process	
		Ensuring Good Title	
		Real Estate Finance	
		Instruments of R. E. Finance	
		Appraisal and Valuation	
		Mortgage Loan Underwriting	
		The Housing Development Process	
		Real Estate Licensing	
		Summary	
August 29	13:00 4	Principles of Economics	Econ faculty
Thursday		Law of Demand	
		Law of Supply	
		Types of Markets	
		Perfect Competition	
		Monopoly	
		Intermediate Markets	

<u>DATE</u>	<u>TIME hrs</u>	<u>TOPIC</u>	<u>LECTURER</u>
		The Market Process Economics of the Business Firm Factors of Production Macro Economics Urban Regional Economics	
	17:30 3	Bulgarian Contract Law History of the Bulgarian Legal System Law of Contracts Offer and Acceptance Bulgarian Land Law Bulgarian Urban Law Current Developments in Property Law and Rights	Law Subcom. interviewing lecturers
August 30 Friday	13:00 3	Real Estate Law Historical forms of ownership in Bulgaria Real Estate Rights Land Ownership Other Real Property Condominiums & Cooperatives The Transfer of Property Ownership Current Changes in the Law	Law Subcom. interviewing lecturers
	16:15 4	Real Estate Economics Real Estate Markets Housing Other Land Uses Factors that determine Real Estate Demand Supply Pricing of Housing and Real Estate Synergism of Uses Mortgage Markets The Economics of R. E. Finance	E. Popov
August 31 Saturday	10:00 1	Legal forms of Land Use/Real Estate Historical Ownership of Property in Bulgaria Land Ownership Other Properties	Law Subcomm. interviewing lecturers

<u>DATE</u>	<u>TIME hrs</u>	<u>TOPIC</u>	<u>LECTURER</u>
		Improvements to Land Personal Property	
	11:00 3	The Cadestre and Recorded Data Methods of Registering Title Operations of the Recorders The Cadestre files Sofia The rest of Bulgaria	Lecturers Confirmed from City of Sofia & NCRUD by Architecture Subcomm.
	13:00 3	The new Computer Cadestre System Planning, Land Use & the Environment General Plans Sofia and the Cities The Villages and countryside Restrictions to Land Use Zoning Building Codes and Materials Controls Environmental Controls Current Trends in Land Use and Building Controls	Ditto
Sept. 2 Monday	13:00 2	Types of Real Estate - Design Types of Real Estate Housing Types and Styles Single Family Low Rise Multifamily High Rise Multifamily Exterior Design Features Interior Design Features	Ditto
	15:50 3	Types of Real Estate - Construction Methods and Materials of Construction Housing by Type Estimation of Construction Costs	Ditto
	1	QUIZ	
Sept. 3 Tuesday	13:00 2	Principles of Marketing Analyzing Markets and Products Marketing Strategy Prospecting Advertising - Reaching the Client Presenting the Product Closing	Parry

DATE	TIME hrs	TOPIC	LECTURER
	15:15 1+	Multiple Listing Systems Explanation of MLS Assistance in Marketing Property Production of Data Base	Parry
	18:00 2	Brokerage Operations/Ethics Management of Brokerage Operation Real Estate Marketing Advertising Listing Showing Property Responsibility to Principle	Parry
Sept. 4 Wednesday	13:00 6+	Present Value, Future Value, Mortgage Financing & Types of Mortgages Present Value Future Value Annuities Ammortization Current Bulgarian Mortgage Instruments Alternative Mortgage Instruments	Zlatev & Topdorov
Sept. 5 Thursday	13:00 4	Accounting/Fiduciary Responsibility/ Ethics Accounting Principles Fiduciary Relationships Comingling Conflict of Interests Agent Principle Relationships	Law Subcom. interviewing lecturers
	17:30 2+	Introduction to U.S. Real Estate The Real Estate Transaction Brokerage Contracts Financing Escrow and Closing Leasing U.S. Real Estate Brokerage Operations Marketing Account Management Income and Expenses	Parry

DATE	TIME	hrs	TOPIC	LECTURER
Sept. 6 Friday	13:00	4	Bulgaria - The Real Estate Transaction Legal and Ethical Considerations Forms Developed for Bulgarian Real Estate Transaction Agency Escrow	Kalayjieva
	19:00	1	QUIZ	
Sept. 7 Saturday	10:00	3	Introduction to Appraisal Reasons for Appraisal Types of Appraisal The 3 Approaches Cost Sales Comparison Income	Parry
	13:00	1+	History of Bulgarian Appraisal Appraisal prior to WW II Current Appraisal Procedures	
	14:30	2	Sources of Bulgarian Real Estate Data The Casestre Recorders Data Interviews and Research	
Sept. 9 Monday	13:00	3	The Cost Approach Evaluating the Construction Quality and Costs Depreciation Cost to Restore Physical Deterioration Environmental and Functional Obsolescence Determining Land Value Market Data Land Residual	Vlaev
	16:30	3	The Market Data Approach Determining the Market Area Identifying the Comps Screening the Comps Reviewing Characteristics of Comps Adjustments to Comps Values Market Value	

DATE	TIME hrs	TOPIC	LECTURER
Sept. 10 Tuesday	13:00 3	The Income Approach Determining Income Selecting Capitalization Rate Rental Income Multiplier Band of Investment Method Income Value	Todorov
	16:30 1+	Introduction to Cases	Sapoundjiev
Sept. 11 Wednesday	13:00 3+	Appraisal Case Studies Case 1 - Single Family Home Case 2 - Cooperative Flat Case 3 - Condominium Flat Case 4 - Land Valuation	Appraisal Subcomm.
Sept. 12 Thursday	13:00 3+ 16:30	Review and Catch Up QUIZ	Committee
Sept. 13/14/15/16	****	DAYS OFF ****	
Sept. 17 Monday	10:00 2+	REAL ESTATE BROKERAGE AND APPRAISAL EXAM Grade Exams and Award Certificates	

Lecture Hours with Simultaneous Translation	13
Lecture Hours by Bulgarians	58
Quizzes and Exams	5

TOTAL HOURS 76

ANNEX C

SCHEDULE OF MEETINGS AND ACTIVITIES Real Estate Brokerage and Appraisal Development Project BULGARIA

- July 2**
Tuesday Depart Los Angeles 12:50 PM
- July 3**
Wednesday Arrive Sofia 9PM. Check in Hotel. Meet with M. Hoffman et al consultants to Urban Institute and USAID for the housing projects. Met with E. Popov to explain his role in the project.
- July 4**
Thursday Met with E. Popov - he escorted me to Sofia International Management Center - Met with Krassimir Evtimov, Mgt Dir and staff. Discussed next phase and inspected facilities as possible venue for classes. Secured cost sheet, etc.
- Met with Assin Georgiev Research & Education Mgr for Min of Building Architecture & Public Works. Discussed program, inspected facilities. Considered as venue for classes.
- Met with Plamen Sapoundjiev working with ACG, a holding company which has a contract from 3 banks to estimate values for properties. He had little information or data. Thought he might be a candidate for the committee, but he is a candidate to attend the classes.
- July 5**
Friday Unable to get a hold of E. Popov. Made phone calls to G. Arpadikov and M. Stefanov at PODKREPA. Both were out of town, so I will meet them this weekend. Set up Monday meetings with Sofia University and University of Economics.
- With E. Popov, I met with Zdravka Kalayjieva, Attorney at Law. Good knowledge of Bulgarian Real Estate practices and transactions. I enlisted her for the Committee.
- July 6**
Saturday Met with E. Popov, gave him materials for him and Saturday Zdravka to review. Set up schedule for next week.
- Met with Maya & Sasha and asked for recommendations for a committee member from the architectural or planning professions.

- July 7
Sunday** Met with G. Arpadjikov, D. Ivanov and other members of PODKREPA regarding committee, program, venue for training and other items, e.g. creating a Credit Union for PODKREPA regarding housing finance and Trade Union contacts with Tom Nutt-Powell with the trade unions. Set up meeting for Tuesday with PODKREPA President.
- Met with V. Genchev and spouse of the social housing movement, Homes for Everybody. Discussed committee. They will suggest members from their organization.
- July 8
Monday** Visited Municipality, reviewing the Cadestre and record keeping process common to Sofia and the rest of the country. Obtained copies of documents.
- Met with Rector of the University of National and World Economy (formerly Karl Marx University of Economics). Explained project, discussed possibility as venue for classes, development of real estate curricula, guest lectures.
- Rented Car
- July 9
Tuesday** Toured Sofia to visit various neighborhoods and housing types, including mid and highrise coops and condos, rundown midrise and lowrise dwellings and upper income housing on mountain.
- Met with George Momchilov who wishes to establish a real estate brokerage agency and wants to be included in course. Employed at NCRUD.
- With M. Hoffman, met with PODKREPA President, V.P. Ivanov, G. Arpadjikov and other officers and members. In a difficult meeting discussed real estate education project, possibility of developing a private Bank or a CREDIT UNION. They gave two position papers on real estate and banking which we had translated.
- Met with officers of National Social Movement Home for Everybody. They want representation on Committee.
- Discussed with V. Christiani possibility of manufacturing mobile homes in Bulgaria. Very Interested! T. Nutt-Powell will follow up when he returns to U.S.
- July 10
Wednesday** Met with Willie Chapman representing the AFL/CIO and coordinating with PODKREPA. He will meet with T. Nutt-Powell. Interested in Credit Unions. Impressed with PODKREPA.
- Visited and met with the City of Sofia Cadastre Computer Center. Excellent

future source of data. Obtained samples for class...being translated.

Met with V.P.s Ivanov and Arpadjikov of PODKREPA. They presented excellent list of candidates for committee. Also discussed possible venues for August/September courses. Much more agreeable meeting. They were less dictatorial and suggested an excellent site near Varna.

Met with the Dean of the School of law at Sofia University. Discussed program, venue and the development of a real estate curriculum in the future.

Met with N. Gregorov, Director of Center for Arch, Urb..etc. Ameliorated his concerns with my performing the Brokerage/Appraisal program outside the center.

Met in separate meetings with M. Koleva, E. Popov and M. Hoffman regarding possible Committee appointments.

Three candidates for Committee failed to keep appointments.

Met with Stanislav Tochev and Mano Lazsarov of Homes for Everybody. I was very disappointed with the selection they presented, both their English was poor. Told them so and explained that I would reluctantly accept one of them because I wanted their group represented on committee, but would prefer someone else.

July 11
Thursday Meeting with sarah Wines reporting upon activities to date. Met with PODKREPA's 7 candidates. Few had English skills.

Interviewed Vassil Zlatev, Associate Professor of Business at University for National and World Economy. Will be on Committee.

Met with George Petkanov, Chairman of Law School at Sofia University. Discussed program, possible venue and the development of a Real Estate curricula.

Met with Vassil Peychev, Director of environmental Dept. NCTRTP. Will be on Committee as a private citizen, not representing center.

July 12
Friday First meeting. Additional candidates attended.
Committee consists of: **NOTE THE COMPOSITION OF THE COMMITTEE CHANGED DURING THE DEVELOPMENT OF THE CURRICULA AND MY LECTURES. THE CURRENT AND FINAL COMMITTEE MEMBERS ARE ATTACHED**

Evguene Popov, Economist, National Center for Regional and

Urban Development

Zdravka Kalaydjieva, Private Attorney

Vassil Peytchev, Engineer and Director of the Environmental Department, National Center for Regional and Urban Development

Vassil Zlatev, Assoc. Professor, University for National and World Economy

Deuka Slavia Altanasova, Architect, Design Bureau

SOFPROJECT

Nicolas Stoyanov Arbov, Architect, Department Head, UAB

Assen Mitchukovsky, economist and Assistant Professor,

Institute of Architecture

Mano Lazanov, Architect, Homes for Everybody

Dr. Eng, Todor Vlaev, METASKILL Partnership

ADJUNCT Members

Maya Koeva, Researcher, National Center for Regional and Urban Planning

George Arpadjиков, International Director, PODKREPA

Sarah Wines in attendance. Introduction of Committee Members. Statement of Mission of Program. Lecture on Principles of Real Estate. Explanation of professional real estate organizations, e.g. AIA, NAR, RSCS, FIABCI. Distribution of American Real Estate Textbooks. Consideration of venue, curriculum and faculty.

**July 13
Saturday**

All day session of Committee. Sarah Wines attended first hour. Lectures on Real Estate Practices. Review of Brokerage Forms in preparation for future translation and merging with Bulgaria instruments. Review of Form Appraisal forms, ditto.

**July 14
Sunday**

Met with M. Hoffman. Discussed program to date, Sunday business matters, future T.O.F. reporting procedures, copying, translating and review of relevant documents.

Prepared classes and meetings for next week.

Began article for Bulgarian paper explaining real estate brokerage and appraisal.

Reviewed Banking and Credit Act. Wrote up comments given to M. Hoffman to convey to authors.

**July 15
Monday**

Set up meeting for J. Zarr with President of Monday PODKREPA. Reviewed translated documents. Contacted I. Vassilev who is associated with D.J. Jones, a British Real Estate Co. Met with Committee. Lectured on Finance and Mortgage Instruments. Determined Curricula. Discussed organization of future

Bulgarian Real estate Organization.

July 16
Tuesday

Committee meeting. Elected Vassil Peychev and Todor Vlaev as Officers/Coordinators after my departure. Of course, my translator, Vanya Angelova will continue to serve as translator and assist in my absence. Committee secured office space, copying services, telephone, secretarial support and fax from PODKREPA. Venue for courses in order of preference: (1) SIMS, if transferred to PODKREPA; (2) Sofia University, Law Department; (3) University of National and World Economy (formerly Karl Marx). Added I. Vassilev to Committee.

Tried to reach the Sofia University Law Department - Everyone on vacation until end of August. Will probably have to use Economics University (UNWE).

Interviewed potential instructors at UNWE. Peychev and Z. Kalayjieva securing Law faculty and design, construction and planning faculty. UNWE will provide venue if we need.

July 17
Wednesday

Met with Plamen Szaoundjiev and Peter Nenkov, ACG. They are a wealth of information regarding real estate markets, data, the present valuation process. Very professional. I had a much better impression than my first meeting. Offered Plamen a place on committee and as a lecturer. He accepted but in subsequent conversation declined because of "apparent lack of knowledge" of other committee members. I am to have dinner with him this evening.

Gave an interview to Alexandrina Georgieva at RADIO SOFIA explaining program and the concept of Real Estate Brokerage and Appraisal. Will be broadcast next week.

Reviewed forms to be translated with Vanya.

Met with E. Popov. Expressed disappointment with his assistance.

Met with group of young nonpolitical professionals, including Plamen S. and Attorney Pavlina Todorova, President of INTERVOCAT Bar Association and the group, UNION. Invited her to be a Member of Committee. Asked Plamen to participate with Committee as Associate Coordinator. Both accepted.

July 18
Thursday

Meeting with Committee: Defined Organization. In my absence they will be writing organization bylaws, designing professional graduation certificate and planning for future activities. Reviewed CAR forms that are used in Real Estate Brokerage, including listing, offer and acceptance, contract changes, disclosure, escrow and closing, commissions agreements, leases. Moved

toward further finalization of classes and instructors. **SCHEDULE OF LECTURES ATTACHED.** Reviewed contract forms for U.S.A.I.D and stressed need for data. Began more detailed outline for lectures. Organized Subcommittees for Law, Appraisal, Economics, Brokerage, Curricula and Organization.

Visited rural villages to determine types of housing, their condition and ownership. Better than expected, and primarily owner occupied single or 1 to 3 family homes. Considerable construction and some vacant units that could be owned by Sofia residents as dachas.

Met with Appraisal Subcommittee. Unable to prepare case, but set up parameters so that cases will be completed in my absence and in the lectures.

Met with Law subcommittee and Vanya to determine the contract forms most important to translate that could be used in Bulgaria.

Organized and attended meeting with Jerry Zarr, visiting Financial Services Executives, Stephen Gerard of Coopers & Lybrand and Albert Hamilton of 1st Washington Assoc, Ltd and PODKREPA, President K. Trenchev, Vice Presidents and Economists and Willie Chapman of AFL-CIO. Excellent meeting revealing true philosophy and economic understanding of PODKREPA.

**July 19
Friday**

Spent morning preparing documentation of visit, activities, and preparing written instructions for Bulgarians.

Met with committee in afternoon to review activities to be completed before classes, establish channels of communication to California, finalize curricula and plans. Items to be accomplished in my absence and before lectures:

Translation of my article promoting lecture series and publication in several newspapers.

Editing and translation of contract documents for Real Estate Brokerage, Offer and Acceptance, Leases, Appraisal, etc. for presentation in the Practices and Transaction lectures.

Final determination of the venue for the lectures, including arranging for facilities for recording, simultaneous translation, etc.

Final designation of lecturers and preparation of extended lecture outlines.

Determining name of the professional body that will be the descendant of the Committee and chartering this association as a nonprofit corporation.

Printing of Schedule of Lectures, Certificates of Achievement by students and the preparation of the qualification exam.

July 20
Saturday

Had breakfast with J. Zarr reporting on accomplishments of this project to date. Gave him preliminary copy of this document, the Committee Members roster and the Lecture Schedule. Left Sofia.