

## **BLACK SEA COAST – CHANGES TO CONSTRUCTION REGIME**

In the last several years as a result of the stable and predictable political and economic developments Bulgaria has become a desired target of many real estate investments. This is especially valid for the area along the Black Sea coast.

In an attempt to regulate construction along the coast the Bulgarian Government proposed to the Parliament the Black Sea Coast Act. The proposed Act, however, did not pass through the Parliament. Following the failure of Act, the Government decided to regulate construction on the coast by changing two existing regulations, which in essence contain most of the provisions of the Act. The regulations subject to discussion in this publication are:

- Regulation № 7/2003 on the rules and norms for the structure of the different types of territories and organizational zones and
- Regulation № 8/2001, for the volume and content organizational schemes and plans.

Both Regulations were published in State Gazette # 51, of 21<sup>st</sup> June 2005:

### **CHANGES**

#### **Regulation № 7/2003 on the rules and norms for the structure of the different types of territories and organizational zones**

A new “Chapter twelve “A” – ORGANISATION OF THE BLACK SEA COAST is created. The chapter determines:

- The borders of the Black Sea coast which include:
  - a) the territory of all municipalities, bordering the Black Sea and/or inner lakes, connected with the sea;
  - b) part of the territory of the Black Sea, determined by the Law on Sea Spaces, Inner Water Ways and Ports in Republic of Bulgaria, including the inner sea water with width up to 200 meters.
- The type of plans for the structure and the development of the Black Sea coast, in accordance with the existing normative acts;
- The construction regime on the Black Sea coast, separating the coast in three different zones:

#### **Zone “A” covering:**

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- a) coastal beach area;
- b) coastal fortification and coastal defendant installations, build up with state funds;
- c) coastal lakes, lagoons, firths and wet zones adjoining the sea;
- d) sand dunes;
- e) parts of the agricultural and forest territories, adjoining the coastal beach area and objects under items "b", "c" and "d" above having length of 100 m. measured horizontally;
- f) parts of the agricultural and forest territories, adjoining the sea coast having length of 50 m. measured horizontally;
- g) protected areas under Article 5 of Law on Protected Areas bordering with sea coast /reserve, national parks, landmarks, nature park, protected places/

**Zone "B" covering** agricultural and forest territories with length of 2 km as from the border of zone "A"

Note: Zone A and Zone B are outside of the borders of the urban territories that are differentiated in separate zones.

**Urban territories covering** towns and villages, and settlement forms.

### **PRACTICAL IMPORTANCE**

The above new regulations will have significant practical importance given the intensive construction activities along the Black Sea coast. You may wish to consider our notes when planning your investments:

#### **1) Investment Initiatives in Zone "A"**

Zone "A" is in direct contact with the sea coast as a result of which the construction regime is highly restrictive. In particular, the following activities are not allowed in Zone A

- the erection of permanent buildings
- placement of moveable constructions (there are a few exceptions to this rule).
- placement of solid fences restricting the access to the beach.

It is generally not admissible to change the destination of the agricultural and forest lands (there are a few exceptions to this rule) in Zone "A".

#### **2) Investment Initiatives in Zone "B"**

The regulation concerning Zone "B" includes mainly provisions allowing different construction activities, related to the creation or enlargement of the existing resorts, resort complexes, holiday villages, country house zones and initial construction of estates out of the urban territories. The changes introduce requirements concerning: density of construction; intensity of construction; minimal planting area for each type of territory etc. There is a restriction for maximum height of construction up to 10 m. for holiday villages.

In Zone "B" the restrictions on investments are environmentally driven (e.g. construction of depots and other installations for home and dangerous wastes is forbidden).

#### **3) Other Requirements to be Considered**

- The regulation obliges the mayor of the each municipality to issue annually an order for prohibition of construction and installation activities in the resorts, resort

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complexes, holiday villages, country house zones on the Black Sea coast in the period from the 1<sup>st</sup> May to 15<sup>th</sup> October. This circumstance should be registered in each certain construction permit.

- The construction permits for construction of permissible buildings in Zones “A” and “B” are issued by the chief architect of the respective municipality provided:
  - there is an approved investment project compliant with the current detailed organizational plan;
  - the necessary technical infrastructure for transport access, for power supply, water supply, etc is in place;
  - the procedures of the Law on Protection of the Agricultural and Forest Act have been completed.
- The buildings that have already been constructed shall not be affected by the new regulations.
- The changes in Regulation № 7 abolish Regulation № 2/24.01.1995 on Rules and Norms for Territorial and Organizational Planning of the Black Sea Coast. The legislator, however, has omitted to abolish certain transitory provisions, which may create contradictory practices with the municipalities.

In conclusion, it is important to mention that the newly introduced regulations may seriously impair the rights of investors that have already purchased plots along the coast.

#### **Regulation № 8 /2001 on the Volume and Content of the Organizational Schemes and Plans**

The changes in this Regulation concern the volume and the content of organizational schemes and plans related to the new “Chapter twelve “A” - ORGANISATION OF THE BLACK SEA COAST in Regulation № 7.

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