

MAY 2023

THE BUYERS GUIDE

A NEW LIFE IN THE SUN



SAVILLS PORTUGAL

Introduction

Portugal has undergone, over the last decade, a remarkable transformation, becoming one of the current trendiest European destinations. Known for its culture, climate, gastronomy, friendly and laid back environment, the country has welcomed and embraced its opportunities for growth and development, which have evolved into the incredible country we know today. As a result, its residential market has become one of the most dynamic and active in Europe.

Lisbon, a city that used to have its historic centre practically abandoned, turn out to be a rising star, with endless potential, rapidly becoming exceptionally attractive. The Portuguese capital is now bright and charming, with several prime residential developments, which have brought the city back to life, bringing quality of life to its residents, without ever losing its original character.

As the city raises its profile and visibility in the global context, being home to many renowned companies and the stage of international events, emerging as a magnet for new buyers and residents of different nationalities, who are playing an active role in the transformation of the city.



Savills Commercial Research

We provide bespoke services for landowners, developers, occupiers and investors across the lifecycle of residential, commercial or mixed-use projects. We add value by providing our clients with research-backed advice and consultancy through our market-leading global research team.



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THE BUYERS GUIDE



CHIADO

It stands out as one of the most luxurious areas in the city of Lisbon, known for its architecture, along with the countless gastronomic and cultural experiences. Some of the main landmarks in Portugal are located in Chiado, such as Praça Luís de Camões and Largo do Carmo. Through so much diversity and personality, its many shops, restaurants, bars, and cafes have attracted people from all over the world. Chiado is the perfect mix between a cosmopolitan and traditional suburb. Most properties have generous balconies and terraces, many of them with side and front view of river. Its residential offer mainly consists of rehabilitated 2 bedrooms apartments.



PRICE RANGE

7,000 €/sq m - 13,500 €/sq m



CULTURE

Teatro da Trindade
Museu de São Roque
Elevador de Santa Justa
Museu Nacional de Arte Contemporânea
Teatro Nacional São Carlos



FOOD & DRINKS

Café d'A Brasileira
Benard
Palácio do Chiado
Bairro do Avillez
La Brasserie de l'Entrecôte
Chiado Wine Bar
Silk
Belcanto
100 Maneiras



HOSPITAL

Hospital da Ordem Terceira do Chiado



SHOPPING

Armazéns do Chiado
Hermes
Leitão e Irmão
Vista Alegre
Bertrand
Zara
H&M



SUPERMARKETS

Minipreço
Amanhecer
Celeiro

PRÍNCIPE REAL

Famous for being one of the Portuguese royal family's favourite places to build their elegant family homes, Príncipe Real is characterized by its rich historical architecture, preserved to this day. The Botanical Garden of Lisbon, considered a national monument, is one of the best known elements of Príncipe Real. This suburb offers its residents vast green spaces and several leisure options. Even though it is one of the 'hot spots' for tourists visiting Lisbon, Príncipe Real provides an uncomplicated and peaceful lifestyle, in one of the most charming areas of Lisbon. In terms of housing offer in the area, the largest number of properties available are 1 bedroom apartments, with a refined and sophisticated interior architecture.



PRICE RANGE

8,000 €/sq m - 12,500 €/sq m



CULTURE

Museu da História Natural e da Ciência



FOOD & DRINKS

A Cevicheria
Pizzaria ZeroZero
Faz Frio
Atalho Real
Tapisco
LostIn Rooftop
Pavilhão Chinês, Jobim



EDUCATION

Colégio Luso - Suíço
Faculdade de Ciências da
Universidade de Lisboa - Campus
da Escola Politécnica



GREEN SPACES

Jardim do Príncipe Real
Miradouro São Pedro de Alcântara
Jardim Botânico de Lisboa



SHOPPING

Embaixada
21 PR Concept Store
Bernardo Atelier Lisboa
Mercado Biológico do Príncipe
Real

BAIXA

Baixa is Lisbon's historic heart and commercial center. It combines a wide variety of street shops and gastronomic options, offering its residents the opportunity to live in a historic centre with an extraordinary character. Blending both traditional and modern aspects of the city, through such diversity, Baixa remains a timeless area, reinventing itself over the years and promising a life full of experiences and incomparable well-being. Rua Augusta and its the triumphal arch, which takes its visitors straight to Praça do Comércio, are the most iconic landmarks the Portuguese capital. This region mainly offers a range of 1 to 2 bedrooms.



PRICE RANGE

7,500 €/sq m - 10,500 €/sq m



CULTURE

Galerias Romanas da Rua da Prata
Teatro Nacional D.Maria II
Convento do Carmo
Praça do Comércio
Arco da Rua Augusta



FOOD & DRINKS

Bastardo
Gambrinus
Taberna Moderna
Confeitaria Nacional
Nicolau Lisboa



SHOPPING

Casa Macário
Typografia Lisboa
Fred Perry
Garrafeira Nacional
Mercado da Figueira



SUPERMARKETS

Pingo Doce
Meu Super
Celeiro

AVENIDA DA LIBERDADE

Located in the heart of Lisbon, the luxurious Avenida da Liberdade connects Praça dos Restauradores to the Marquês roundabout and it is considered one of the main avenues in the city. This imposing street is also home of numerous designer brands stores and haute couture. Avenida da Liberdade is just within a walking distance to one of the largest and most beautiful gardens, Parque Eduardo VII and some of the best restaurants and bars in the Portuguese capital. Being a high-end area, its residential market offers a wide variety of amenities, such as parking spaces, balconies, terraces, swimming pools, gyms and security services. Most of the residential properties in the area are 1 to 2 bedroom apartments.



PRICE RANGE

8,000 €/sq m - 13,500 €/sq m



CULTURE

Casa-Museu Medeiros e Almeida
Cinema São Jorge
Teatro Tivoli



FOOD & DRINKS

JNcQUOI Avenida
JNcQUOI Asia
Cervejaria Liberdade
Seen Lisboa
Avenida Sushi Café
Eleven
Skybar



GREEN SPACES

Parque Eduardo VII



HOSPITAL

Centro Hospitalar Universitário de Lisboa



SHOPPING

Prada
Louis Vuitton
Miu Miu
Gucci
Zadig et Voltaire
Stivali
YLS
Dior



SUPERMARKET

ALDI

AMOREIRAS

Located in one of the highest points of the city, the Amoreiras is famous for its wide range of residential, commercial and office spaces. Such a convenient access to the A5 highway, the exit to the 25 de Abril Bridge and Marquês de Pombal makes this area an extremely privileged suburb. The Amoreiras Shopping Centre is reference point for the entire city. In addition, it is just a 5 min drive from Parque Florestal de Monsanto, where you can enjoy its green spaces, viewpoints, playgrounds and countless options for physical activity. The Lycée Français Charles Lepierre school is an excellent option for those looking for foreign education since its teaching system is exclusively in French. Most of the residential offer in this neighbourhood comes from 2 bedroom apartments.



PRICE RANGE

6,500 €/sq m - 10,000 €/sq m



CULTURE

Museu da Água da EPAL
Aquaduto das Águas Livres



FOOD & DRINKS

Forno d'Oro
L'os à Moelle
Flor de Lis



EDUCATION

Lycée Français Charles Lepierre
Escola Secundária Maria Amélia
Vaz de Carvalho



GREEN SPACES

Jardim das Amoreiras



SHOPPING

Amoreiras Shopping Centre
Amoreiras Plaza



SUPERMARKETS

Auchan

ALFAMA

It has managed to keep its essence intact over the years. This neighbourhood was one of the few in the city that only suffered slight damage during the 1755 earthquake, thus being one of the historic centres of the capital with the most well-preserved historic buildings. Its narrow streets, its colourful buildings, and the Tagus River represent Lisbon at its core. It is one of the oldest areas of the city. Its identity is characterised by being extremely authentic and carrying immense history and tradition. From being able to enjoy a typical Portuguese meal to the sound of fado, to the haute cuisine of a chef, this charming neighbourhood manages to reinvent itself, without losing its character. Those looking for a property in Alfama will find a large range of 2 bedroom apartments.



PRICE RANGE

6,000 €/sq m - 9,000 €/sq m



CULTURE

Castelo de São Jorge
Panteão Nacional
Sé de Lisboa
Museu do Fado



FOOD & DRINKS

Prado
Farol de Santa Luzia
A Travessa do Fado
Parreirinha de Alfama
Esperança da Sé



LANDMARKS

Jardim do Castelo de São Jorge
Miradouro das Portas do Sol
Miradouro de Santa Luzia



SUPERMARKET

Pingo Doce
Minimercados de rua

CAMPO DE OURIQUE

Campo de Ourique is known for being a neighborhood that has everything. Countless gastronomic options, shops, services, and green spaces. The famous Mercado de Campo de Ourique preserves its essence as a market for fresh essential goods, having recently been adapted into a food court with several restaurants inside. This residential neighborhood offers its residents, from all age groups, a high quality lifestyle that blends a laidback suburban everyday life with the perks of living in the Portuguese capital. Its residential properties mainly account for 2 bedroom apartments.



PRICE RANGE

6,000 €/sq m - 8,500€/sq m



FOOD & DRINKS

Pizzaria Memória
Peixaria da Esquina
Tasca da Esquina
Memoria
Hikidashi
Aloma
O Melhor Bolo de Chocolate do Mundo



EDUCATION

Redbridge School
Salesianos de Lisboa



GREEN SPACES

Jardim da Parada



SHOPPING

Otherwise
Companhia do Campo
Gavetão
Antimilk
Maria Gorda
Maria Granel



SUPERMARKETS

Mercado de Campo de Ourique
Pingo Doce

ESTRELA E LAPA

Lapa, which belongs to the parish of Estrela, is one of the most charming areas of the city of Lisbon, full of palaces and stunning views of the river. One of the great meeting points in this neighbourhood is Jardim da Estrela, a place where people of all ages gather to enjoy a huge green outdoor space. This proximity to nature brings peace and calm to an area located in the centre of Lisbon, making it possible to disconnect and relax from the often hectic day-to-day life. There are also a large number of schools and colleges around the neighbourhood, along with useful business services, such as grocery stores, supermarkets, pharmacies and banks. In terms of housing offer in the area, the largest number of properties available are 2 bedrooms.



PRICE RANGE

6,000 €/sq m - 10,500€/sq m



CULTURE

Basílica da Estrela
Museu Nacional de Arte Antiga
Casa-Museu Amália Rodrigues



FOOD & DRINKS

LOCO
XL
Pastelaria Cristal
A Loja do Sr Rocha
Flora & Fauna



EDUCATION

Externato Rainha Dona Amélia
Liceu Pedro Nunes
Externato O Lar da Criança
ISEG - Instituto Superior de
Economia e Gestão
Colégio Santa Maria



GREEN SPACES

Jardim da Estrela
Tapada das Necessidades



SERVICES

Post Office
Hospital CUF Tejo
Lapa Health Centre
Pharmacies
Embassies

SANTOS

Also known as Santos-O-Velho, is located between Estrela and the Tagus River. Full of genuine Portuguese architecture, street shops, bars and restaurants. This area is notorious for being one of Lisbon's 'design districts', being home to the renowned Faculty of Design, Technology and Communication (IADE), along with many design shops and stunning works of urban art scattered throughout its streets. The area has become predominant of young people, not only for its artistic and creative environment, but also for its attractive nightlife it offers. As it is a young and dynamic neighbourhood, it is very well served by public transport, accessible by tram, bus and train. Santos mainly offers its residents smaller residential properties, such as 1 bedroom apartments.



PRICE RANGE

5,500 €/sq m - 10,000 €/sq m



CULTURE

Igreja de Santos-O-Velho
Museu Nacional de Arte Antiga
Museu das Comunicações



FOOD & DRINKS

La Boulangerie
Contrabando
Garrafeira de Santos
Le Chat
O Botanista



EDUCATION

Redbridge School
Salesianos de Lisboa



GREEN SPACES

Jardim Nuno Álvares (Jardim de Santos)
Jardim 9 de Abril



SERVICES

Train Station (Lisboa-Cascais)

ALCÂNTARA

Over the years, the neighborhood of Alcântara has gone through a massive rehabilitation process, not only in terms of public infrastructure, but also in terms of its most recent constructions. In 2008, LX Factory opened its door as we know it. The main idea was to create a creative and inspirational area, where people could socialize in its restaurants and bars, stroll through its shops, or work in one of the various places allocated either for companies or on a co-working basis. Nowadays is of the trendiest spaces in the city, with a captivating atmosphere where everything happens at a vibrant pace. Alcântara is also valued for its proximity to the Tagus River. The Docas area has a large number of restaurants, with terraces overlooking the river, along with several areas for children and outdoor activities. In terms of accessibility Alcântara has access either by tram, train, or bus. This region mainly offers a range of 1 to 2 bedrooms.



PRICE RANGE

5,500 €/sq m - 8,500 €/sq m



CULTURE

Museu da Carris
Observatório Astronómico
Cordoaria Nacional



FOOD & DRINKS

Lx Factory
Doca de Santo Amaro
O Mercado



EDUCATION

Instituto Superior de Agronomia
Escola Secundaria Rainha Dona
Amélia



GREEN SPACES

Monsanto



SERVICES

Hospital Egas Moniz
Hospital CUF Tejo
Lisbon Congress Centre
Supermarkets
Post Office

GRAÇA

Located at the highest point of Lisbon's seven hills, Graça is a historic neighbourhood that has been adapting over the years to the needs and interests of the younger population. Graça merges historical elements that characterise the city of Lisbon with several contemporary works, thus creating an environment where the old meets the modern, and where both live in perfect harmony. Notorious for being an area that values urban art, several artists have been choosing its environment to exhibit their works, making it possible to find murals by both national and international artists. It offers its residents several green spaces, such as the Jardim da Cerca da Graça, which is located just a 2-minute walk from the Miradouro da Senhora do Monte, where you will find one of the most extensive views of the Lisbon. The majority of residential developments in this suburb offers 2 bedroom apartments.



PRICE RANGE

5,600 €/sq m - 8,000 €/sq m



CULTURE

Miradouro da Graça
Igreja da Graça
Mosteiro de São Vicente de Fora



FOOD & DRINKS

Graça 77
Açores na Feira
Pastelaria Saga
Altar
Hamburgueria no talho
Piteu da Graça



EDUCATION

Escola Básica e Secundária Gil
Vicente



GREEN SPACES

Jardim da Cerca da Graça
Jardim Botto Machado

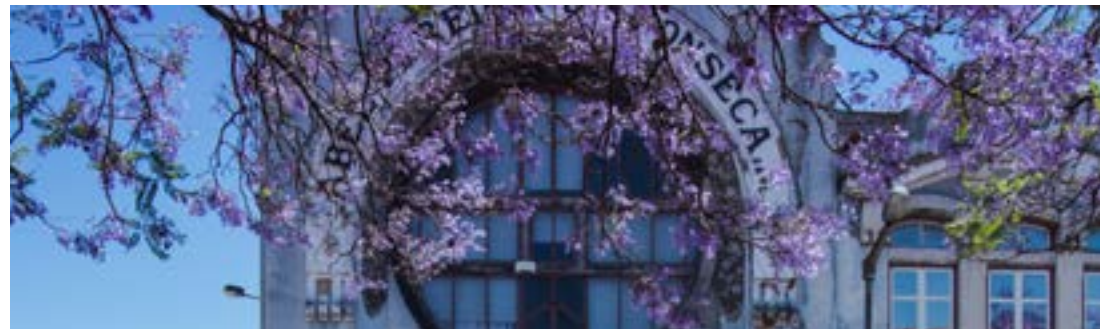


SUPERMARKETS

Mercado de Santa Clara
Pingo Doce
Lidl

MARVILA E BEATO

Previously known as an area of warehouses and abandoned places, the region has been the target of enormous development in recent times, having become an extremely interesting zone, from an artistic point of view, with a unique character and certainly one of the areas with the highest growth in recent times. This neighbourhood attracts a high number of people connected to the artistic community due to the number of galleries and places dedicated to creativity. Most of what is available in the residential market in the Marvila and Beato area is rehabilitation properties, maintaining the characteristics and charm buildings not only on the outside, but also in their interiors, with a vast number of 2 bedroom dwellings. The atmosphere of this neighbourhood is different, innovative, stimulating and, above all, it is extremely open to what is new, bold and revolutionary.



PRICE RANGE

5,000 €/sq m - 8,500 €/sq m



CULTURE

Museu Nacional do Azulejo
EKA Palace
Galeria Underdogs



FOOD & DRINKS

Atelier Henrique Sá Pessoa
The Royal Rawness
Café com Calma
Fábrica Musa



EDUCATION

Escola Básica e Secundaria Luís António Verney



GREEN SPACES

Parque da Bela Vista
Parque do Vale Fundão



MUST SEE

Biblioteca de Marvila
Centro de Arte e Comunicação Visual
Fábrica Moderna

AVENIDAS NOVAS E ALVALADE

Located right in the centre of the city, Avenidas Novas has a wide range of services to offer. Being one of the flattest areas of Lisbon, full of cycle paths, its access is easy, and you can safely use bicycles and scooters for your daily trips. In this neighbourhood you will have access to everything within walking distances, finding a huge range of restaurants, cafes, pastry shops, shops, grocery stores, supermarkets and excellent access to public transport. Here you can choose between the traditional and the emblematic, or the contemporary and modern. Very close to Avenidas Novas and known for being a family suburb, the Alvalade neighbourhood is a relatively small area, but with a wide range of services for everyday life. Starting from Avenida da Igreja, known for being the heart of Alvalade, here you will find an extensive choice of restaurants, pastry shops, street shops, among other services. Mainly, the residential offer in these zones tends to concern 2 bedroom houses.



PRICE RANGE

6,500 €/sq m - 11,000 €/sq m



CULTURE

Museu Calouste Gulbenkian
Casa-Museu Dr Anastácio Gonçalves
Biblioteca Municipal de Lisboa
Praça de Touros do Campo Pequeno



FOOD & DRINKS

Pastelaria Versailles
Nómada
L'Éclair
Choupana Caffè
Pasta Non Basta
The Green Affair
O Melhor Croissant da Minha Rua
Gelataria Conchanata
O Prego da Peixaria
Nova Ásia



EDUCATION

Colégio do Largo
Extrenato Infante D. Pedro
ISCAL - Instituto Superior de Contabilidade e Administração de Lisboa
Colégio São João de Brito
Escola Secundária Rainha Dona Leonor



GREEN SPACES

Jardim da Fundação Calouste Gulbenkian
Jardim do Palácio das Galveias
Jardim Mário Soares



SERVICES

Atrium Saldanha
Saldanha Residence



SHOPPING

El Corte Ingles

BELÉM E AJUDA

Belém stands out for its proximity to the Tagus River, being a quiet residential area with a great cultural offer, where the possibilities of enjoying outdoor spaces are endless. Belém is internationally known for some of the most emblematic historical monuments in Portugal, such as the Belém Tower, the Jerónimos Monastery or the Padrão dos Descobrimentos. The restaurants in Belém provide their customers with outdoor terraces, allowing people to enjoy the good climate that is so characteristic of the city of Lisbon. It is in these places that locals and tourists merge, enjoying a diverse atmosphere in an upscale neighbourhood. Strongly residential and familiar, it is a truly fascinating area of the city, where the Tagus River meets the Atlantic Ocean, which offers bigger properties than most suburbs in Lisbon, with a wide range of 3 bedrooms apartments.



PRICE RANGE

6,500 €/sq m - 11,500 €/sq m



CULTURE

Mosteiro dos Jerónimos
Centro Cultural de Belém
Torre de Belém
Palácio Nacional da Ajuda
Museu da Eletricidade
MAAT



FOOD & DRINKS

Nune's Real Marisqueira
Este Oeste
O Frade
Vela Latina
Nikkei
Darwin's
Pastelaria Careca
Feitoria
Pastéis de Belém



EDUCATION

Escola Secundária do Restelo
Externato Santa Maria de Belém
Colégio Bom Sucesso
Faculdade de Arquitetura da
Universidade de Lisboa



GREEN SPACES

Jardim Botânico da Ajuda
Jardim dos Montes Claros
Jardim da Praça o Império

PARQUE DAS NAÇÕES

Also known as Zona Expo, it is one of the most developed areas in the city. Its new infrastructures and facilities led Parque das Nações to become an area with several prestigious residential projects, aimed at the middle and upper middle classes. Considered the most modern area of the city of Lisbon, it has been the choice of multinational companies, mainly dedicated to the TMT sector. With buildings that rise with modern facades overlooking the Tagus, Parque das Nações has become a business district in the city of Lisbon. The area is very well served by public transport, located very close to Lisbon airport (10 minutes). With its very central characteristics, the region attracts families who value a standard of quality of life that allows them to walk or cycle along the river. Its residential market has a modern character, in a mixture of the traditional and the modern, with the majority its new developments offering 2 to 3 bedroom apartments.



PRICE RANGE

6,800 €/sq m - 11,500 €/sq m



CULTURE

Lisbon Oceanarium
Torre Vasco da Gama
Pavilhão do Conhecimento
Telecabine Lisboa



FOOD & DRINKS

Edo Sushi
Fity Seconds
Cantinho do Avillez
The Old House
Butchers



GREEN SPACES

Parque Tejo
Jardins Garcia da Horta
Jardim das Ondas



SERVICES

Oriente Station
Vasco da Gama Shopping Centre

OEIRAS

Oeiras has benefited from Lisbon's demographic expansion and has been slowly turning into a tech hub in the Lisbon Metropolitan Area. This title has managed to make many international, renowned companies chose the city has their new address in Portugal. The attractiveness of its location due to being so close the Tagus River was just another contributing factor to the region's growth. In terms of its residential market, the region has such large and modern developments, most of which have swimming pools, parking, balconies, and gyms. Those looking for a property in Oeiras will find a large range of 3 to 4 bedroom apartments.



PRICE RANGE

5,000 €/sq m - 10,000 €/sq m



CULTURE

Jardins e Palácio Maquês de Pombal
Fábrica da Pólvora
Vasco da Gama Aquarium
Palácio Ribamar



FOOD & DRINKS

Faz Figura
Borges
A Quinta
Luar da Barra



EDUCATION

Escola Secundária de Miraflores
Escola Secundária Prof. José Augusto Lucas
Secundária Sebastião e Silva
Secundária da Quinta do Marquês



GREEN SPACES

Parque dos Poetas
Complexo Desportivo do Jamor
Jardins da Quinta Real de Caxias

CASCAIS

Due to its many international residents and wealthy Portuguese families, Cascais comprises a significant part of the prime residential market in the Lisbon Metropolitan Area. Traditionally a second home location, both nationally and internationally, the area offers luxury properties with swimming pools, balconies, garage, and gardens. The region mainly attracts new residents thanks to being surrounded by the Atlantic Ocean and its pleasant weather. Those looking for a laidback and lifestyle, though conveniently close the Portuguese capital, will find in Cascais their perfect haven. The majority of new developments in this city concerns 3 to 4 bedroom properties.



PRICE RANGE

7,500 €/sq m - 13,500 €/sq m



CULTURE

Casa de Santa Maria
Museu Condes de Castro
Guimarães
Casa Sommer
Casa da Guia



FOOD & DRINKS

Bar do Guincho
Taberna Clandestina Cascais
Fortaleza do Guincho
Mercado da Vila
A Nova Estrela



EDUCATION

Salesianos do Estoril
Colégio Maristas de Carcavelos
King's College School



GREEN SPACES

Parque Marechal Carmona
Parque Natural de Sintra-Cascais
Parque Palmela



MUST SEE

Praia do Guincho
Boca do Inferno
Praia do Tamariz
Casino Estoril



BUYING REAL ESTATE IN PORTUGAL

In Portugal, the property rights that can be acquired are the following:

- **Full ownership or freehold:** The full and exclusive right of possessing, enjoying and disposing of real property.
- **Usufruct:** The right to use and enjoy a third party's property for a certain period of time, which cannot extend after the death of the beneficiary or be granted for periods longer than 30 years if the beneficiary is a legal person. The beneficiary can use the property in the same way as if he was the owner and collect natural, industrial or civil profits, provided the original economic function of the property is maintained.
- **Right of Use:** The right to use a third party's property to meet one's own specific needs or the needs of one's family;
- **Surface Right:** The right to build and maintain a building, using and enjoying the building on or under a third party's land. Surface rights can be created for a certain period of time or can be perpetual. With the termination of the surface right the owner of the land becomes the owner of the building incorporated in the land.

Co-ownership of real estate is permitted under Portuguese law. It is possible to constitute a building, or a group of buildings functionally linked to each other, under the regime of horizontal property.

The Portuguese law does not provide for the so-called "fiduciary ownership", only admitting it in the Madeira Free Trade Zone, where is legally admitted the incorporation of trusts for the purposes of the activities to be pursued.

ASSET DEALS

In an Asset Deal the purchaser acquires the ownership of the property through a purchase and sale executed through a public deed or through a notarized private document executed by a lawyer, solicitor or conservator.

Usually, the process begins with the signing of a promissory sale and purchase agreement (“PSPA”) that precedes the effective transfer of the property and defines certain obligations and, if necessary, the fulfilment of certain requirements preceding the transaction.

Upon the signing of the PSPA, it is normal for the promissory purchaser to pay the promissory seller an amount as a down payment. Portuguese law establishes that if the promissory purchaser defaults, the promissory seller is entitled to make the amount received as a down payment its own. If the promissory seller defaults, the law states that the promissory purchaser is entitled to receive the amount of the down payment paid in double. Alternatively, Portuguese law provides the institute of specific execution of the PSPA, which should be requested by the non-defaulting party.

Following the signature of the PSPA it is usual to perform the provisional register of the acquisition of property with the Land Registry Office which will become definitive upon the signature of the public deed or the notarized private document.

Transfers of title must be recorded with the Land Registry Office and afterwards registered with the Tax Authority.

The transaction record is intended to give publicity to the legal status of the property and confers a presumption of the existence of the right and its ownership. The regime in force obliges to register and the lack of registration may imply the lack of protection of the purchaser against third parties.

The Land Registry is based on the principle of priority of registration whereby the first recorded in rem right prevails over other recorded in rem rights even if the latter have been created prior to such registration date.

Before entering a PSPA it is recommended that due diligence be performed to verify the legal, commercial, urbanistic, environmental and tax situation of the property.

The due diligence is usually carried out by the purchaser in order to obtain information regarding ownership, charges, encumbrances, tax, authorizations, licensing, agreements and other contingencies and/or liabilities concerning the property. Part of the relevant information can be accessed directly with public authorities such as Land Registry Office, Tax Authority and Municipalities, but in most transactions the seller provided the documentation required by the purchaser.

According to Portuguese law, for the new construction the seller is responsible for defects that occur within 5 years from the completion date of the construction work.

Structuring a real estate transaction commonly requires several steps, including:

- i. Due Diligence.
- ii. Promissory Sale and Purchase Agreement (with or without registration).
- iii. Transfer agreement.
- iv. Payment of due prior to the public deed such as stamp duty and municipal property transfer tax (IMT).
- v. Public deed or authenticated private document.
- vi. Acquisition Registration.

The generic documents required by law for the transfer of ownership are the following: (i) the land registry certificate (“certidão predial”), (ii) the tax certificate (“caderneta predial”), (iii) the use permit (“licença de utilização”) or the building permit (“licença de construção”), (iv) the energy certificate and (v) the proof of registration of the ultimate beneficial owner with the Portuguese Ministry of Justice for corporate entities.





TAX FRAMEWORK

Investments in real estate can be performed individually or structured through vehicles such as commercial companies, real estate investment funds, property investment companies.

TRANSFER TAX AND STAMP

The following taxes may apply to the purchase of real estate, depending on the structure of the deal.

Asset deals:

- Municipal Property Transfer Tax (IMT)
- VAT (IVA)
- Stamp duty (Imposto do Selo)

Share deals:

- Municipal Property Transfer Tax (IMT)

ASSET DEALS

Real Estate Transfer Tax (IMT) will be calculated on the price of the transaction or on the VPT (value of the real estate assessed by the Tax Authority), whichever is higher.

IMT is charged at the following rates:

(Taxable value x Rate) – Threshold deduction = IMT to be paid.

IMT is charged at the following rates:

- Flat rate of 6.5% on the sale or transfer of any urban property not exclusively of a residential nature.
- Flat rate of 5% for rural properties.
- Progressive rates for the sale and transfer of urban buildings or apartments exclusively for residential purposes that are intended to be the buyer's permanent residence, ranging from 0% to 7.5% as mentioned in below:

Taxable Value (€)	Rate	Threshold Deduction (€)
Up to 97,064	0%	0
Above 97,064 to 132,774	2%	1,941.28
Above 132,774 to 181,034	5%	5,924.50
Above 181,034 to 301,688	7%	9,545.18
Above 301,688 to 603,269	8%	12,562.06
Above 603,269 to 1,050,400	6%	0
Above 1,050,400	7.5%	0

- Progressive rates for the sale and transfer of urban buildings or apartments exclusively for residential purposes and/or intended for letting purposes, but not intended as the buyer's permanent residence, ranging from 1% to 6% as mentioned in below:

Taxable Value (€)	Rate	Threshold Deduction (€)
Up to 97,064	1%	0
Above 97,064 to 132,774	2%	970.64
Above 132,774 to 181,034	5%	4,953.86
Above 181,034 to 301,688	7%	8,574.54
Above 301,688 to 578,598	8%	11,591.42
Above 578,598 to 1,050,400	6%	0
Above 1,050,400	7.5%	0

To discourage the purchase of real estate in Portugal through offshore companies, IMT is levied at a rate of 10% if the buyer is a company established in a country, territory or region with a preferential tax regime.

Further, as of 1 January 2021, the same punitive tax rate applies, when the acquirer is an entity dominated or controlled, direct or indirectly by a company established in a country, territory or region subject to a preferential tax regime. In these cases, no exemptions are made available.

Since 2016 the acquisition of real estate by open-end or privately placed closed-end Real Estate Investment Funds or Retirement Savings Funds are no longer exempt from IMT (until 31 December 2018 it was still possible to challenge the 2016 repeal of the exemption with respect to Real Estate Investment Funds; this interpretation has been followed in numerous arbitration decisions).

However, the property deals may be exempt from IMT or may benefit from tax reliefs in the following cases, among others:

- Property acquisition for resale.
- Acquisition of urban property for urban regeneration purposes.
- Restructuring operations or cooperation arrangements.
- Acquisition of property classified as of national/public/municipal interest.
- Exemption or reduction of the IMT tax rates, regarding the acquisition of property that constitutes eligible investment under the Investment Promotion Tax Regime (RFAI).

Real estate owned by open-ended or publicly offered closed-end Real Estate Investment Funds (REIFs), pension funds, or retirement funds no longer benefit from a 50% IMI exemption.



VALUE ADDED TAX

As a rule, the transfer of property and shares in Portugal is exempt from VAT.

Nonetheless, in the case of a transfer of property, a seller may waive the exemption if certain conditions have been met and they have complied with various formalities.

If the exemption is waived, VAT can be recovered in accordance with specific dispositions set out in the Portuguese VAT Code.

TAX ON OWNERSHIP

IMI is a municipal property tax, payable by the owner or occupier of the property (excluding tenants), on the VPT (value of the real estate assessed by the tax authority) of urban and rural properties.

IMI is payable on the VPT of each property at rates which range between 0.3% and 0.8%, depending on the municipality and on the type of property.

Urban properties solely for the residential use of the buyer, as his primary domicile, may benefit from a temporary exemption from IMI for up to three years, if the property's value is less than €125,000. To benefit of this exemption, the income of the buyer's household cannot exceed €153,300.

IMI exemptions are also possible in the case of projects of economic importance, or buildings classified as of national, public or municipal interest.

These deals may also be exempt from IMI or may benefit from tax reliefs in the following cases, among others:

- Urban property subject of urban regeneration may benefit from IMI exemption during a period of three years, renewable for a period of five years, counted from the date of the completion of the restoration works.
- Urban property acquired for energy production from renewable sources may, benefit from a 50% reduction on IMI rate.
- In some cases, municipalities may determine a reduction of up to 25% of the IMI rate, applicable to urban property with energy efficiency.
- Rural property composed by forest areas covered by forest intervention zone or acquired for forestry exploitation under a forest management plan.
- Under the Investment Promotion Tax Regime (RFAI), companies may benefit from exemption or relief of IMI for a certain period (up to 10 years), provided that some conditions are met.



IMI is borne by the owners of property and it is collected by the municipalities according to the valuation of the property determined by the tax authorities.

The Portuguese State Budget for 2017 introduced the Additional to the IMI (AIMI). The AIMI is levied on the sum of the VPT's of all dwellings owned or in relation to which the taxpayer has the right of use or the surface right.

In the case of individuals, €600,000 should be deducted from the sum of the VPT of all dwellings, being the AIMI levied on the residual value at a rate of 0.7% where the taxable value is less than €1 million, and of 1% marginal rate if and where higher. A marginal rate of 1.5% is applied when the taxable value is above €2 million.

In the case of companies, no deduction is to be applied, and the AIMI should be levied at a rate of 0.4%.

The value of real estate assets held by companies that are allocated to the personal use of equity holders, members of company bodies, or their spouses, ascendants and descendants is subject to a rate of 0.7%, where the taxable value is less than €1 million, a 1% marginal rate if higher than €1 million and less than €2 million and a marginal rate of 1.5% if higher than €2 million.

Urban property classified as "commercial", "industrial" or "for services" and "others" are excluded from AIMI.

For dwellings owned by an entity established in a country, territory or region with a preferential tax regime the AIMI rate is 7.5%.

Dwellings covered by an exemption on IMI are also not subject to AIMI

THE PORTUGUESE NON-HABITUAL RESIDENT TAX REGIME

WHAT IS IT?

Portugal has a special tax regime for new residents which offers them attractive tax opportunities at the individual level.

Foreign tax residents wishing to become resident in Portugal may benefit from exemption or reduction of taxation on their income for a 10-year period.

REQUIREMENTS

To qualify as a NHR, an individual must:

- Be a **tax resident** under Portuguese domestic legislation;
- Not have been a Portuguese tax resident in the **five years** prior to taking up residence in Portugal;
- Submit a **request** to register as a NHR in the Tax Authorities' website (until March 31st of the year subsequent to becoming a resident in Portugal)

Portuguese tax residency, regarding Portuguese Personal Income Tax purposes, may be acquired via two different ways, such as:

- Remaining in national territory more than **183 days**, consecutive or not, in any period of 12 months beginning or ending in the year in question;
- Having stayed less time, to have a **dwelling** in national territory at any time during the referred period, under conditions that suggest that the individual **intends to maintain and occupy it as an habitual residence**.



TAX REGIME APPLICABLE IN PORTUGAL TO PASSIVE INCOME FROM FOREIGN SOURCE

- **Interest:** Possibility of exemption (provided that this income is liable to taxation in the source country under the DTA entered into between PT and the source country). Interest originated in tax havens, which do not have DTA with PT, are taxed at a 35% rate.
- **Dividends:** Possibility of exemption (provided that this income is liable to taxation in the source country under the DTA entered into between PT and the source country). Dividends originated in tax havens, which do not have DTAs with PT, are taxed at a 35% rate.
- **Capital Gains on Movable Property:** Taxed at a 28% rate (possibility of exemption provided that this income is liable to taxation in the source country under the DTA entered into between PT and the source country).
- **Capital Gains on Immovable Property:** Possibility of exemption (provided that this income is liable to taxation in the source country under the DTA entered into between PT and the source country).
- **Royalties:** Possibility of exemption (provided that this income is liable to taxation in the source country under the DTA entered into between PT and the source country). Royalties (qualifying as investment income) originated in tax havens, which do not have a DTA with PT, are taxed at a 35% rate.
- **Real Estate Income:** Possibility of exemption (provided that this income is liable to taxation in the source country under the DTA entered into between PT and the source country). Rental income from tax havens, which do not have a DTA with PT, are taxed at a 28% rate.
- **Pensions:** Possibility of exemption applies to NHR beneficiaries prior to 2020, provided that this income is not considered as obtained in Portugal. For NHR beneficiaries from 2020 onwards, taxed at a 10% rate. A transitional regime was approved, where individuals who were NHR beneficiaries prior to 1st of April (date of entry into force of the Portuguese State Budget Law for 2020), or who become resident in Portugal until the mentioned date and apply for the NHR regime within the prescribed deadlines, may choose which regime to apply (exemption or 10% rate).





TAX REGIME APPLICABLE IN PORTUGAL TO ACTIVE INCOME FROM FOREIGN SOURCE

- **Income from Self-employment:** Possibility of exemption if this income is earned in relation with activities of high added value*, e.g. engineers, doctors, general managers and executive managers of companies, and if it is liable to taxation in the source country under the DTA entered into between PT and this country.
- **Income from Employment:** Possibility of exemption only if this income is effectively taxed in the source State under the DTA entered into between PT and the source state, where applicable. If there is no DTA, possibility of exemption if effectively taxed in the source state and if not considered as Portuguese-sourced.

TAX REGIME APPLICABLE IN PORTUGAL TO PASSIVE INCOME FROM PORTUGUESE SOURCE

- **Interest:** Taxed at a 28% rate;
- **Dividend:** Taxed at a 28% rate;
- **Capital Gains on a Movable Property:** The balance between the capital gains and losses is taxed at a 28% rate;
- **Capital Gains on a Immovable Property:** Taxed at progressive rates, on 50% of its value;
- **Royalties:** Taxed at a 28% rate;
- **Real Estate Income:** Taxed at a 28% Rate (certain reductions may apply);
- **Pensions:** Taxed at progressive rates.

TAX REGIME APPLICABLE IN PORTUGAL TO ACTIVE INCOME FROM PORTUGUESE SOURCE

- **Income from Self-employment and Income from Employment:** Taxed at a rate of 20% if it is earned in activities of high added value*, e.g. engineers, doctors, college teachers, farmers, general managers and executive managers of companies.

Source: DLA Piper





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