

WE HELP YOU PLAN, FIND AND BUY AN OVERSEAS PROPERTY

Portugal Buying Guide

Your definitive guide to buying a home in Portugal, safely



Your guide includes:

- Your timetable to buying in Portugal
- Focus on where and what to buy
- Set your budget
- Understand the legal processes



Property Guides was set up after a close relative of one of the company's founders fell foul of a property scam overseas nearly twenty years ago, with tragic results. Since then, our aim has been to make buying in Portugal safe.

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Speak to the experts

Buying a property in Portugal is a simple matter of putting one foot in front of the other. But you do need to ensure that you are on a firm footing by having a team of professionals behind you. At Property Guides we call the perfect team our **Golden Three**: estate agent, lawyer and currency specialist. Contact us to be introduced to your Golden Three.

- **020 7898 0549**
- **info@youroverseashome.com**
- **youroverseashome.com**

Buying safely in Portugal – about this guide

Generally speaking, the international property business has been cleaned up over the past few years. Still, many of us are understandably nervous. We want to spend our holidays, long weekends or even our retirement enjoying the Portuguese lifestyle, but we're nervous about sending so much money to another country with an unfamiliar legal system, language and currency. We've read stories about British people who have run into difficulties when buying property abroad. We're worried about getting a properly-built home, about signing contracts we don't understand, about healthcare, pensions, currency and now Brexit!

The Portugal Buying Guide's aim is simple – to help you to buy safely in Portugal. Our founder's tragic experience could have been avoided if honest, up-to-date and reliable information had been available to her. Since 2004 we have been putting that right.

Not everyone delays buying because they're worried. Some just don't know where to start! We can help you too, with a roadmap and clear explanation of the buying process, the costs and timescales.

Along with a trustworthy estate agent and a good, specialist lawyer, the third way to eliminate risk is to stop exchange rate movements wrecking your budget. You wouldn't agree to buy a home in your own country where the price could move by 10 or even 20% before you have to pay for it, yet that is the risk you take if you don't lock in your exchange rate. We will explain how you can prevent that.

The Portugal Buying Guide will help you achieve your dream of home-ownership in one of the world's favourite holiday destination. It's easy if you follow our simple steps.

Visit our website propertyguides.com/Portugal for more information about buying property in Portugal. You can read property market updates, news and area guides. Sign up to our fortnightly blog written by our British writer in Portugal – lifting the lid on what life is really like in Portugal.

Happy house hunting!

Elaine Ferguson

Customer Service Manager
Portugal Property Guides Resource Team



Is this the year?

You can own a home in Portugal

You can swap the 1,500 hours of sunshine that England averages each year for the 3,000 hours that the Algarve basks in. It's sunnier than California! Portugal welcomes newcomers from other countries, both at the social level – it's still acceptable to say “Bom dia” to strangers here – and at a national level, with friendly visa schemes and tax incentives.

Here are five great reasons to buy a property in, or move to, Portugal:

1. Old friends

The British and Portuguese have been friends and allies since 1373; it's the oldest alliance in the world! Not long after it was signed, Cliff Richard moved to the Algarve. Okay, we're joking on the last point, but plenty of our celebrities have moved to Portugal and been joined by the likes of Madonna and Scarlett Johansson. This is a friendship forged over the centuries, not just the decades, and many Portuguese people speak English.

2. Unspoilt

Portugal is unspoilt and idiosyncratic. While Lisbon is a high-tech hub and Porto one of the most dynamic and exciting student cities in the world, this is still a country where farmers go to work on a donkey. And why not, when the countryside is so beautiful and tranquil? Portugal has just 113 people per square kilometre, compared to England's 420!

3. Low taxes

Portugal's non-habitual resident (NHR) scheme gives special tax benefits to new arrivals for up to ten years. If you work in Portugal you will pay a low income tax rate, and if you receive investment or pension income here from abroad it will be tax free.

4. Easy to afford

When Property Guides cross-referenced weather data with holiday home prices across Europe to find where the sunshine costs least, the Algarve was far better value than any other Western European hotspot. While a 50m² was at least a third less than in the Costa del Sol and half that of the Cote d'Azur, it had more sunshine than either. But it's not just property that's cheaper. On the expat cost of living index from Numbeo, the first Portuguese city is only placed 116th in Europe (London is 18th). In the Post Office travel cost barometer, the Algarve is the most affordable out of 22 popular tourist destinations around the world. Your pension will go a long way here.

5. Easy to reach

The three main airports at Porto, Lisbon and Faro offer easy access to Portugal all year. Some routes are seasonal but plenty run year-round (unlike to many Mediterranean destinations). In Portugal it really is possible to nip down for a weekend off-season, from the UK's regional airports too. Ferries via northern Spain or the gorgeous Sud Express train are other pleasant options.

“While Lisbon is a high-tech hub and Porto one of the most dynamic and exciting student cities in the world, this is still a country where farmers go to work on a donkey. And why not?”



Deciding what to buy

Step One: Essential Decisions

Your dreams and intentions may change throughout the process, but organising your initial plans is the place to start. You should ask yourself these five basic questions.

1. Why are you buying?

So you know you want to buy a property in Portugal, but why, exactly? Analysing and articulating your thoughts can help motivate and direct you, so write down your ideas. Here are some examples:

- “We want to enjoy more space, sun and the Portuguese lifestyle.”
- “Our pension will go further in Portugal.”
- “Now the kids have left home, we need a new adventure.”
- “Property investments in the UK look a bit iffy, while Lisbon and Porto seem to have real potential.”
- “I don’t want ever to look back on my life with regret, never having made the move.”

2. How will you use it?

This is crucial to ensuring that you really enjoy your property. What will you do with it? Long weekends, three weeks over the summer, for investment, for relocation, for holidays and then eventually retirement? Be honest with yourself. If you really don’t think you’ll be nipping down for weekends, you can save money by being further from the airport. If you don’t want other people using it and don’t need the money, why worry about rental or investment potential?

3. How much can you afford?

There may be ways to raise more money, or even share the costs, but get an idea of your realistic budget from the off. (See our finance guide on page 15). You should budget for at least 10% extra for buying costs. Don’t forget also that you won’t quite get the “interbank” rate for your currency that’s shown on the news and the FX sites, but a percentage point or two

below that. (See our currency guide on page 16). On the other hand, you might be able to knock a little bit off the price of the property too, if you research the market.

4. What MUST your Portuguese home have?

What are your deal-breakers, the must haves? How many bedrooms or bathrooms do you need? Is a pool essential or would a local beach be better? Outdoor space? And what would you like your Portuguese home to have? What would make it perfect for you? Do you want a terrace, garden and/or a swimming pool? (See our checklist on the next page).

5. What are your turn-offs?

It’s nice to be positive, but focusing on what we can’t stand can be quite liberating too!

Would you hate queueing for a hire car every time you go to Portugal? Fortunately Portugal’s public transport is fantastic, but do check the routes work for you. Do you find a beach less appealing than your own pool? Or are you worried that you’ll be saddled with all the pool cleaning? Now is the time to say it loud and clear. Would you find the presence of holidaymakers on your doorstep all summer a little irksome? Then go property hunting off the beaten track.

You want to love this home, so spell out what will stop that happening, then see if your partner or spouse feel the same!



Buying Tip

Pull together as much information on moving to Portugal as you can – both positive and negative. Research newspapers, magazines, books, etc.

Visit **overseas property exhibitions** to get first-hand information before paying out for a viewing trip.

Checklist to a perfect property

The location:

	Essential	Preferable
Which part of Portugal?		
Coastal or inland?		
Expat area or avoiding Brits?		
City, town, village, country?		
Maximum distance to shops?		
Max distance to airport?		
Max distance to hospital?		
Max distance to beach?		
Need public transport?		
Other location requirements?		

The property:

Budget (in pounds)?		
Old or modern?		
House, flat?		
Detached, semi or neither?		
Bedrooms?		
Bedrooms with ensuite?		
Bathrooms?		
Living area – open plan?		
Separate dining room?		
Wheelchair accessible?		
Rough square metres?		
View?		
State of repair?		

Outside space:

Garden?		
Terrace?		
Pool, private or communal?		
Garage?		

Step Two: Countdown to Buying

Working out a timetable is a powerful tool in turning dreams to reality. Many people wait until the spring or autumn to start looking – but why wait until everyone is buying? High demand, after all, generally means higher prices. Not only can you start looking at property at any time, but quiet times can be good for picking up bargains too. Estate agents will be keener and sellers more motivated, fearful of being stuck with a property for another season.

A tactic that we find works well is to set an end date and fix in your mind being in the property by then. Then work your way back from that. Tick these off as you achieve them.

Six months from being a Portuguese home owner:

- Narrow down your choices using our checklist and propertyguides.com/Portugal articles. Prepare a list of must haves and nice-to-haves.
- Speak to Smart Currency Exchange. Until you have consulted our currency partner it will be impossible to set your budget. Remember, you will not be able to access the “interbank” rate that you see on the news and on the property websites, so it is essential to get an idea of your real buying budget and lock that in.
- Speak to a mortgage advisor, if required.
- Set your budget.

Five months from owning:

- Begin your detailed property search.
- Speak to a lawyer about how best to structure the deal.

Four months from owning:

- Speak to estate agents.
- Narrow down properties for realistically achievable viewing trips.
- Book viewing trip(s).
- Detailed discussions with lawyer and Smart Currency Exchange.

Three months from owning:

- Attend property exhibitions (see box below).
- Viewing trips.
- Make an offer.
- Contact notary.
- Protect your budget with currency specialist. Consider forward contract.
- Book a survey, if required.

Two months from owning:

- Sign reservation contract, if required.
- Sign Contrato de Promessa de Compra e Venda and pay deposit.
- Plan furnishing, decor and house-warming party!
- Ensure utilities will be connected.
- Make final payment. Sign final contract, Escritura.
- Receive keys and move in.



Your Overseas Home

Portugal Property Guides will be at several Your Overseas Home shows this year. It's a special show for those people in the final stages of buying in Portugal. It is for those who have decided they are definitely buying, but they just need to get a few niggly legal, tax or inheritance questions answered first, and then to look at some properties. Check out the website for **FREE tickets** and details of new events. www.youoverseashome.com

Step three: Where to Buy

Portugal truly delivers when it comes to the trinity of sun, sea and sand, but there's plenty more besides. If you prefer a rural life you'll find lovely villages and hamlets across the country. If a vibrant city is more to your taste, Lisbon, Porto and Coimbra can all deliver that.

The Algarve

Over 10 million people visit the Algarve each year and most return home with an impressive tan! The Algarve has the amenities and infrastructure to make it both a practical and desirable location.

The landscape is surprisingly varied. The east offers stunning flat seascapes. In the centre and west are rocky coves, surfing spots and "secret" beaches to explore.

But the Algarve's not only about the beaches. You only need head a few kilometres inland to find working villages and peace and quiet. Then there are the mountains, just inland from the coast for the whole width of the region. Modestly referred to as "the hills" by the expats that choose a life away from the resorts, these inland areas offer a slower pace of life, yet within easy driving distance of the Algarve's coast.

Whether you crave the simple country life or glitz and glamour (and the chance of bumping into one of the many celebrities who live here), you'll find what you're looking for in the Algarve. It's worth spending a while exploring, to get a feel for the region's dramatically different towns and resorts.

Faro airport lies right by the sea and is well served all year round by inexpensive flights from all over Europe. Leaving the airport, you turn one way for the east Algarve and the other for the west. While you'll find expats all over the Algarve, the eastern side took longer to be discovered by overseas buyers. Some people argue that it retains more of an authentic Portuguese feel.

While the eastern Algarve has no shortage of high-end property, there are affordable options, with attractive apartments from €100,000. Prices get lower away from the sea, with country villas from around €200,000 and some options for restorable ruins between €50,000 and €100,000.

Heading west from the airport, you quickly arrive somewhere where you can spend a lot more on property if you so choose. Here you will find the Algarve's "Golden Triangle", which includes the luxurious resorts of Vale de Lobo and Quinta do Lago. Here you'll find glistening beaches, world class golf courses, Michelin-starred restaurants and multi-million Euro gated villas belonging to celebrities and international footballers. You'll find more of the same, as well as plenty of expats and luxury yachts, in neighbouring Vilamoura.

The Alentejo

Beginning north of the Algarve, the Alentejo covers a significant and varied area. It includes huge swathes of farming country and stunning rolling hills, as well as an impressive chunk of Portugal's western coast. This includes the resorts of Vila Nova de Milfontes, a popular destination for Portuguese families, and Zambujeira do Mar, the location of Sudoeste, one of Portugal's biggest annual music festivals.

The Alentejo is also home to some enticing cities, including gorgeous Évora, a walled Roman city with a young vibe thanks to its busy university, and genteel Beja, another city brimming with Roman history.

The inland Alentejo gets seriously hot in the summer, however that doesn't seem to reduce its appeal for an increasing number of us who are seeking a quiet life in a more authentic Portugal. A detached village farmhouse can be had for less than €75,000 here, and smaller properties and renovation projects come in at far less.

A guide to Portugal and its islands

See the map for the cities and regions, then search for them at [propertyguides.com/Portugal/buying/where-to-buy](https://www.propertyguides.com/Portugal/buying/where-to-buy) for more idea of what they are like.



Speak to the experts

Visit our website [propertyguides.com/Portugal](https://www.propertyguides.com/Portugal) for more information about buying property in Portugal. You can read property market updates, news and area guides.

- 020 7898 0549
- Portugal@propertyguides.com
- [propertyguides.com/Portugal](https://www.propertyguides.com/Portugal)



Portugal's cities

Portugal's cities are easy to reach. While Lisbon and Porto each have their own airport, Coimbra is also easy to reach thanks to its location in the middle of both, and decent links by road and rail.

Lisbon is thriving, having gained popularity with startups and tech firms from hosting a global web conference each year. This, coupled with lots of interest from overseas buyers, has meant soaring demand and climbing prices.

The city is beyond picturesque, with a hilly terrain and a stunning red bridge, both of which evoke thoughts of a European San Francisco. At every turn there's a stunning sea vista, and the atmosphere is tranquil yet vibrant. Cool, in a word. The coastal suburbs are also highly desirable and popular with expats.

For what is truly a world class city, it's incredible to think that an apartment on a convenient metro line can still be found for around €120,000. Needless to say, it's possible to spend far more!

Porto has a noticeably different culture. You won't spend much time there before someone mentions the famous saying that "Porto works while Lisbon plays." It's a grittier place, and not yet as firmly on the expat radar, but no less attractive. Apartments in Porto's outskirts start at around €90,000, rising in price nearer the centre. The number of cranes in evidence are testament to the building boom as companies locate here. It's a truly up-and-coming city.

Coimbra is also a city worth looking at. It has a vibrant student population and a beautiful medieval old town. As well as a worthy city destination in itself, it acts as a popular hub for expats in central Portugal, who travel in for its retail amenities and culture

Central Portugal & Silver Coast

Central Portugal has long been popular with overseas buyers. Many choose remote hamlets and villages, although the towns of Leiria, Tomar and the attractive Figueira da Foz have lively expat communities.

Central Portugal is truly breath-taking in its landscape, dotted with mountains, lakes and rivers. Small hamlets seem untouched by the passage of time and there are some homes so secluded that they require the use of a 4x4 for access. Bathing needs are taken care of thanks to a series of beautiful river beaches.

Here and northern Portugal are the places to find Portugal's best property bargains. You'll find detached villas with pools near the coast for around €160,000, and habitable renovation projects off the beaten track for as little as €30,000.

Northern Portugal

Northern Portugal is the road least travelled for British buyers, in part because it's where they find the worst weather!

All things are relative, however, and this region's damper climate makes for a lush and green environment and provides the name for its coast (Costa Verde). Bordering Spain to the north, this part of Portugal is steeped in tradition, and the home of lots of the country's delicious wine. It's also a place to find property bargains and prices similar to (or lower than) those in Central Portugal.

Madeira & the Azores

Portugal's islands are dotted across the Atlantic Ocean and all enjoy a mild climate, though it's worth noting that the Azores, located further north and west, don't quite offer the same "eternal spring" found in Madeira.

Madeira and Porto Santo are just off the coast of Africa, fairly near Spain's Canary Islands, with a population approaching 300,000. The nine islands of the Azores are half way to the US east coast, with a population of a quarter of a million. Only Madeira has direct flights from the UK (in around four hours); for the Azores you'll need to go via Lisbon.

Long considered an upscale destination for British retirees and cruise ship visitors, Madeira has

shaken off its slightly fusty image and morphed into a cosmopolitan island destination. Famous for tropical flora and fauna, jaw-dropping scenery and mountain walks, it's a very special place. The small neighbouring island of Porto Santo delivers something really different, in the form of nine miles of soft sand and total tranquillity.

The Azores is formed of three groups of islands, each with a distinct feel, as famous for their traditional foods and handicrafts as they are for their world-class water sports facilities and nature reserves.

€100,000 is the starting point for an Azores island house. The same will buy you a small apartment in Funchal, Madeira's capital.





How to buy

How to pay for your house in Portugal

You need to know exactly how much money you can spend, and what your financial sources are: savings, the sale or re-mortgage of your UK property, etc. It's also important to think about the costs involved in buying a property.

The key financial points to consider are:

Funds available:

Work out the total amount of money you have available to purchase a property. It could include cash, savings, items you can sell, pension drawdown, investments you can cash in. If considering buying with friends or family **read our guide, [Buying Abroad With Family](#)**.

Additional finance:

Can you buy with a mortgage? Speak to an estate agent, independent financial advisor, bank or other lender to assess your options. If so, how much deposit will you need, and how will you service the monthly repayments? What would you do in an emergency, such as unemployment or illness?

Do you have a property in the UK from which you can release funds, either by remortgaging or by equity release?

Our Resource Centre can recommend mortgage advisors and equity release specialists. Email: Portugal@propertyguides.com or call 020 7898 0549.

Ongoing finance:

There are costs that will come after you have bought your home, including local property taxes, maintenance and traveling expenses to get there. How will you cover these? Don't forget too, that exchange rates can change, and a pension or investments paid in pounds will not guarantee an income in euros. (Although, see [Managing Your Currency Risk](#) on the next page, for Regular Payment Plans where you can lock in a rate).

Investments:

If you're moving to Portugal for good, you could benefit from moving your pension overseas into another scheme, such as a self-invested personal pension (SIPP) or a Qualifying Recognised Overseas Pension Scheme (QROPS).

Conditions do apply, but typically you could gain greater control over your pension and reduce your tax bill. Please note: the UK authorities will only allow you to transfer your pension into one of these schemes if you meet certain criteria: you need to be living, or going to live, abroad and you must remain living abroad. It's important to remember that it takes ten years of being a non-resident and moving the pension for a QROPS to show real benefits, making it really important to consider your options now rather than later.

Getting a mortgage

With interest rates so low, it's no wonder that many buyers are choosing to borrow to invest in Portugal's affordable but rising property market. To apply, have the following documentation ready:

- **Income tax declaration for the past two years**
- **Bank statements from the past year**
- **Payroll or other proof of income for the past six months**
- **A list of mortgage loans already held**
- **A statement of your assets and liabilities, confirmed by an accountant.**
- **A copy of your passport.**

Your lawyer should ensure that your mortgage takes into account consumer protection legislation. The contract of sale and signing of the mortgage will normally happen altogether, with a staff member from the bank present at the signing of the deeds in the notary's office, forwarding the money to the seller.

Managing your Currency Risk

Exchange rates are the great unknowns when buying property abroad. The risk of currencies moving is often overlooked in the excitement of buying, despite the fact that the price of your property will be changing by the minute. As a 'live' market, the cost of buying euros in the morning will be different to that in the afternoon. Over the course of days, weeks and months that fluctuation can be dramatic.

During 2017 your British pound would have got you anywhere from €1.20 to €1.08. If you had agreed to buy a €200,000 property in June, when the pound was at €1.15 it would have cost you just under £174,000 (at the "interbank" rate). But if you were completing on it just two months later when the pound had fallen after the General Election, that same property would cost over £185,000 and you would have to find another £11,000. If you couldn't find it, you might have lost the property and your deposit.

Such variations (known as "volatility") over the course of the buying process are perfectly normal; indeed they can be much worse. So while it is perfectly natural to want to buy in Portugal when the pound is looking strong, unless you lock in your currency with a Forward Contract you are taking a huge gamble.

What many people don't realise is that you can lock in an exchange rate today for a purchase later –

securing the price of the property in pounds having already agreed the price in euros.

We recommend getting in contact with our trusted partners, Smart Currency Exchange, as early as possible in your process.

Smart Currency Exchange has been one of the UK's most highly regarded currency exchange experts, dedicated to the overseas property market, since 2004. Smart has an "Excellent" rating from the thousands of its clients on the independent ratings service Trustpilot, and is the trusted currency partner of Rightmove.



What our readers say

"I cannot speak highly enough of the professional and friendly service we received from Smart Currency Exchange during our house purchase. At all times we were kept fully informed by our trader Dalvinder (and, on other occasions, David) and the whole process was streamlined, simple and efficient. Highly recommended."

Stephen Vallely

Don't leave yourself exposed to currency risk



Buying Costs

Like in the UK, it's the seller of a property who pays the estate agent's fees. However you should still budget for an extra 10% on the purchase price, divided roughly as follows:

Property Purchase Tax (IMT)

This is charged on a sliding scale and can be up to 8%, with slight variations between urban and rural property. There is also a reduction in rates for urban property intended as a primary permanent residence. No IMT is charged on properties with a value below €92,407, and rates only rise above 5% on properties valued above €172,348.

A significant threshold is a property value of €126,403, after which the standard IMT rate rises from 2% to 5%.

This tax is based on either the price paid in the contract or the council assessment of the value of the property, whichever is higher. Beware how the thresholds on this tax work out, as marginally straying into the next band up could significantly increase your purchasing cost.

Stamp Duty

Stamp duty is charged at 0.8% in addition to the property purchase tax. If you're buying your property with a mortgage, you will also need to pay stamp duty on the loan amount at 0.6%.

Notary Fees

These pay for a notary to ensure the paperwork is in order and for transferring legal ownership. Typical fees are between 1% and 2% of the property purchase price.

Wealth Tax

If you own a property worth over €600,000, there's a "wealth tax" of 0.7%, which increases to 1% on properties worth over €1 million. However, this is an individual allowance, so married couples would only start to pay on a jointly-owned home with a value of €1.2 million.

If you're buying a new-build property in Portugal, IVA (VAT) at 23% applies. While you can and should expect the purchase price to include this, it's well worth checking!

The Estate Agent

A good estate agent will your best friend when buying a home in Portugal. You need one that is legal, reliable and listens to you.

A good agent:

Operates legally and ethically

Estate agency business is regulated in Portugal, and agents should be properly trained and registered with the AMI (Associação de Mediadores Imobiliários). The IMPIC website offers a facility to check an agency is properly registered.

These regulations tend to ward off rogue operators, but don't assume there are none in Portugal. Check out who you're dealing with.



Download our guide

In its FREE report, **The Property Buyer's Guide to Currency**, David Comber, Senior Trader at Smart Currency Exchange, shares his top tips for a successful property purchase. He explains why currency market movements make such a big difference and how to protect your budget from currency risks.

For Smart Currency's free guide: **The Property Buyer's Guide to Currency**, and the latest currency forecasts, Call our Resource Centre on **020 7898 0549**

Is proactive and offers a good service

If you ask a question, you want an agent who calls you back. If you have a problem, you want someone who takes action to get it resolved. Send them a brief or an email before you go to Portugal, asking them a question and seeing how long they take to get back to you – and how enthusiastic they are about helping you! You could fill in our checklist on page 14, photograph or scan it and send it to a few agents too.

Has experience working with UK buyers

You want an agent who speaks your language, knows the popular areas for British buyers, understands the market and knows the politics and planning involved to make things happen.

Stays with you until the end

Any agent should help you throughout the buying process, as earning their commission depends on it. They may also help you open a bank account too, get your NIF number, find a surveyor, builder, notary and anyone else to smooth the sales process.

A really good agent will help you further than just the final contract, however, suggesting a good local doctor, school and whatever else you need. You can find out if your prospective agent does this by asking for past-buyer feedback. Most estate agents working in the British buying market stay in contact with happy buyers and will be only too pleased to introduce you.

Estate agents

If you would like help finding the right estate agent in Portugal, **Call our Resource Centre on 020 7898 0549.**

Viewing Trips

For more information about viewing trips, **Call 020 7898 0549 for our free Viewing Trip guide**

The Viewing Trip

Five tips for a successful viewing trip:

1. Avoid peak time. Even apart from the obvious downsides of expensive flights, hotels and tourist crowds, many of the best rental properties will have guests inside them. If looking off-season, do some research into how different the resort is in the height of the season.

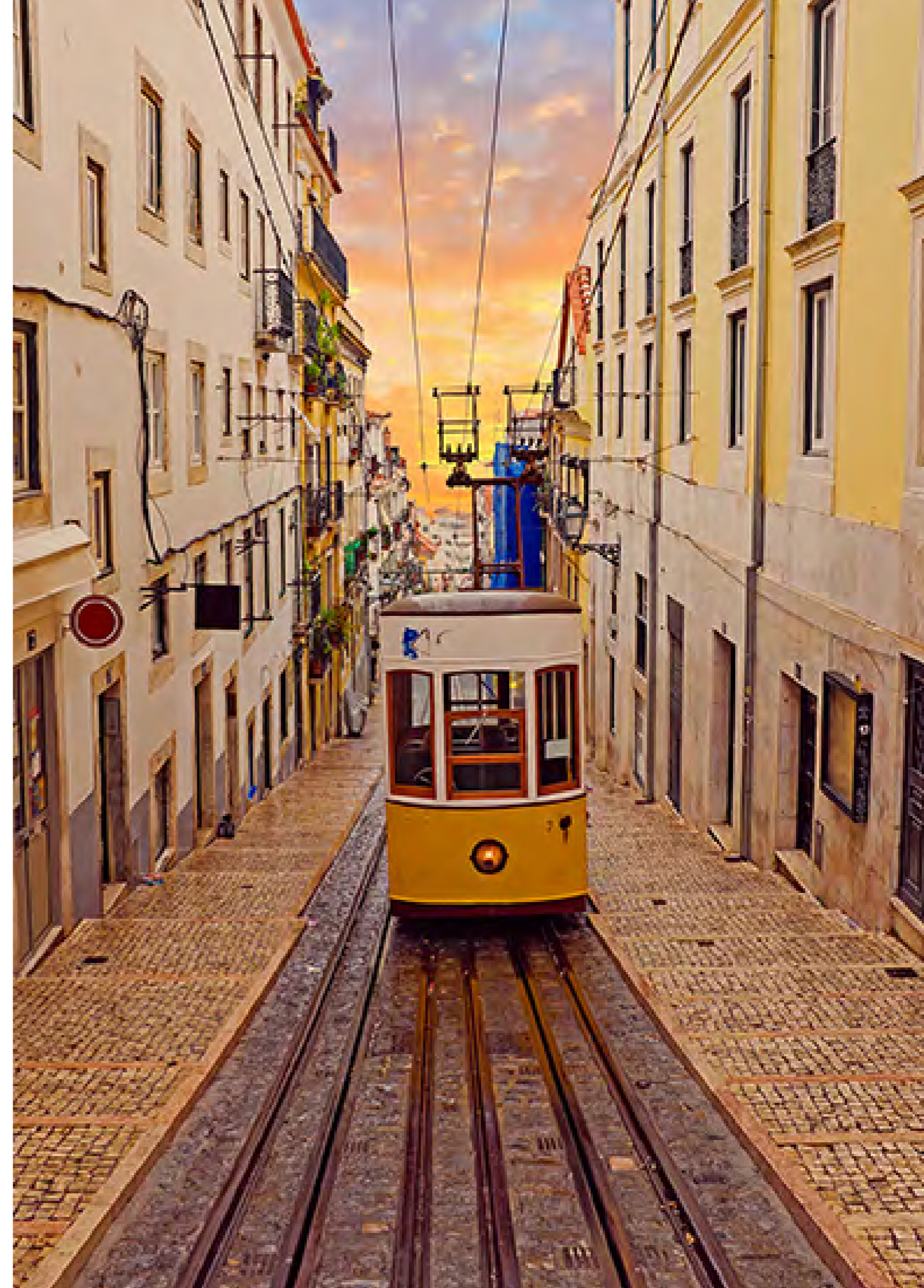
2. Use technology. There's nothing more frustrating than driving miles to a property which you hate as soon as you lay eyes on it! Use Google Streetview to weed out properties that lack kerb appeal.

Once you're back home, you won't be able to pop back for another look as you would if you were buying somewhere in the UK, so use your smart phones to take photos and video clips of properties.

3. Don't be too polite. Avoid any estate agent that tries to control or take over your time or schedule while there. A good agent might offer to find you a hotel, drive you around, even take you to dinner, but equally they will be happy to leave you to your own devices.

4. Engage the imagination. Sure, it looks a bit rough around the edges now, but picture it with a John Lewis kitchen and coat of Farrow & Ball...! Even the most sparkling pool can look like a little swampy after a month or two of neglect. Do consider that ugly duckling property – it might be tens of thousands of euros cheaper but cost just hundreds to turn into a beauty of a home for generations to come.

5. Be ready with a deposit. Be prepared to come up with a few thousand to secure a property via a reservation deposit. You should have registered with Smart Currency Exchange already when planning your budget, but you certainly should by the time you leave for your viewing trip.



Making an offer

How to bargain

Once you've had a viewing trip or two, narrowed down your property search to a handful of options, and know how you are going to pay for it, it's time to start making offers. Your agent should be able to let you know what an acceptable offer is, and make recommendations.

Remember, though, that the agent is working for the seller, and paid a higher commission the higher the price. It can be hard to gauge what is a fair price when you're buying abroad, in a country you're new to, so here are seven simple tips to staying in control during the negotiation process:

1. Know what you are talking about

By conducting the market research and reviewing recent local sales you will be confident in asking for a fair price. Being well-informed and asking educated questions will show you mean business.

2. Get your game face on

Don't come across too keen, nor too blasé. Be polite yet serious, let the selling team know you've viewed a lot of houses and know your stuff. Just like a poker player, read your seller's emotions: with some sellers you might want to show how much you love the property, with others you want to play it cool.

3. Charm

You are buying something that someone loves. Being too aggressive in your attitude or pricing will kill off all your good work. You should normally negotiate via the agent but writing a letter to the seller introducing yourself and explaining why you're interested in their property can help you stand out from competition.

4. Take control of the negotiations

You are the one making the offer. The seller wants to make a sale and understanding their vulnerability puts you at an advantage. You can walk away at any minute and buy something else; the seller needs to sell that property.

5. Counter offer quickly

Any delay in responding leaves room for a seller to consider other offers. Make sure you are prepared for what you are willing to pay before entering negotiations and respond quickly and confidently to any counter-offers.

6. Don't stress if it falls through

Stay rational and if a deal falls through, don't worry. In many cases buyers look back on deals that didn't happen with relief, finding the ideal property later down the road.

7. Contact Smart Currency Exchange

Do this before you make an offer on a property in Portugal. Otherwise you could make an offer and then find that the exchange rate has moved against you before the other side has even responded.



Download our guide

Read more about how to bag yourself a great deal by reading our guide, **How to Negotiate Abroad.**



Portugals buying system

The British have the same right to buy in Portugal as the Portuguese do, but the legal processes will not be like those you are used to in the UK.

It is highly advisable to invest in the services of an independent, English-speaking Portuguese solicitor (*avogado*) who specialises in property law. They will not only oversee and organise the whole purchase process, but will often advise you on tax and inheritance issues too. This is even more important if you aren't a fluent Portuguese speaker, as they will be able to guide you through the details of the transaction, so that you fully understand the contract and supporting documentation. It is important to establish in whose names the property will be put and who will inherit it (especially for unmarried couples with children from previous relationships), among many other vital issues.

To be introduced to a recommended and trusted Portuguese law firm, email Portugal@propertyguides.com or call our Resources Centre on 020 7898 0549.

It's also important to understand the role of a notary (*notário*) in Portugal, to whom you will pay some of your purchase fees. These people represent the Portuguese legal system, rather than the buyer or the seller, and are there to ensure the paperwork and transfer of ownership is all properly in order. In the UK, solicitors usually perform the functions that notaries do in Portugal and several other European countries.

Before embarking on a property purchase in Portugal, you will need a fiscal number (NIF), which you can obtain as a resident or non-resident. A trip to the *Camara* (town hall) armed with identification such as a passport should be sufficient to obtain this, for a fee of less than €10. The closest equivalent to a fiscal number is a UK National Insurance number, and in Portugal it's required for almost everything, from a property purchase to a new mobile phone contract.

The property buying process usually runs as follows:

1. Reserving the property

After choosing a property, you would usually make an offer via your agent. When the offer is accepted, a small deposit (circa. €5000) usually changes hands and the property is taken off the market. This is the point at which you instruct a lawyer, who performs all the necessary checks, such as ensuring the property is legally the owner's to sell.

While it's not mandatory to arrange a survey when you purchase a property in Portugal, it's rarely a good idea to skip this step. You'll want to arrange this before any more money changes hands.

2. Promissory Contract

Your lawyer will next prepare a Promissory Contract (*Contrato de Promessa de Compra e Venda*). At this

The legal process



What will your lawyer check?

The matters your lawyer (or sometimes the notary) will be checking over the buying process include:

- That the person who is selling the property has the right to sell it.
- If anyone else has an interest in the property or rights over it, such as neighbours with rights of way or access.
- If there are debts against the property, such as a mortgage or loans.
- That all local taxes on the property are paid up to date
- That the property has been legalised on the Land Registry.
- That any recent renovation work complies with building permission.

point you pay the official deposit on the property. There's no hard and fast rule on the value of this deposit, but 10-30% of the purchase price is quite standard, less the reservation deposit already paid.

This deposit is very rarely refundable for any reason. As the buyer, you would expect to forfeit it if you were to pull out. If the seller pulls out of the deal, they are legally obliged to pay back double the deposit to the buyer.

At this point, your lawyer should release the deposit and transfer it to the vendor's lawyer. You should now be given a target date for transferring the final deed (*escritura*). Typically, this will be anything from three weeks to three months from when the initial contract is signed.

3. The Final Deed

The signing of the final deed (*escritura*) requires both you and the property vendor to be present (or someone with suitable power of attorney), and takes place in the presence of a notary. After transferring the funds, the documents are read aloud and signed by both parties. This is the equivalent of "completing" on a property in the UK.

It's at this point that you also pay the purchase tax (IMT). It's the notary's job to ensure that this is paid before the property changes hands.

4. Registration

While the property is yours after signing the final deed, you must then, with the help of your lawyer, register the property with the local tax office and the Land Registry (*Registo Predial*).

Welcome to Portugal!



Power of attorney

If it's inconvenient to return to Portugal to sign each document you can grant power of attorney to your lawyer or other representative, authorising them to sign on your behalf before the notary.

They may make a small additional charge for this. It's wise to check that the power of attorney granted is limited to the purposes it's required for.



Thank you for reading the Portugal Buying Guide

We hope that this guide will help you on your journey to buying a home in Portugal. We also publish news, feature articles and blogs from our resident writers in Portugal. Find them all via our website: www.propertyguides.com/Portugal

Here at the Portugal Buying Guide, we are also regularly in touch with companies that operate in the overseas property industry. We can recommend a wide range of service providers operating in the Portuguese property market, including estate agents, a mortgage broker, currency transfer specialist, law firm, tax and financial advisory firm, rentals website and more.

Please do take advantage of these contacts!

On a final note, a highly respected lawyer we recommended to our readers once said that there are three key things necessary for a successful overseas property purchase:

- A good estate agent
- A good lawyer
- A good currency exchange specialist

If there is anything else that we can help you with, call the Resource Centre on **020 7898 0549**, and we'll try our best to point you in the right direction.

Best of luck with all your plans!

Christopher Nye
Senior Editor, Portugal Buying Guide
020 7898 0549

Your Overseas Home

Portugal Property Guides will be at several property exhibitions. Your Overseas Home is a special show for those people in the final stages of buying in Portugal. It is for those who have decided they are definitely buying, but they just need to get a few legal, tax or inheritance questions answered first, and then to look at some properties.

Events are planned across the country this year. Check out the website for **FREE tickets** and details of new events later in the year at: www.youoverseashome.com

Finally, if while buying property in Portugal, you learn something that you feel others should know about, or you simply want to share your own buying experience, please email me, the Senior Editor at Property Guides on chris.nye@propertyguides.com. We publish dozens of stories and suggestions every month.

Contact us

- 020 7898 0549
- info@youroverseashome.com
- youroverseashome.com

The Overseas Guides Company Ltd,
1 Lyric Square, London, W6 0NB



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