



Home
IN PORTUGAL



PROPERTY BUYER GUIDE IN PORTUGAL

Practical guide, legal and tax information To know everything and buy with confidence



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A scenic view of a city, likely Lisbon, featuring a suspension bridge (the 25 de Abril Bridge) spanning a large body of water. The foreground shows a dense urban area with red-tiled roofs and a church spire. The sky is filled with large, golden clouds, suggesting a sunset or sunrise. A teal banner is overlaid across the middle of the image, containing the word "EDITORIAL" in white, uppercase letters.

EDITORIAL

Since 2011, we support every year a greater number of people wishing to settle or invest in Portugal. People living in France, Belgium, Switzerland, Luxembourg and more distant places like Canada, Madagascar, the Antilles ...

We clarify and help our clients to gain confidence in this change, to overcome the fear of making mistakes in their investment, the uncertainties about the language (will anyone understand me?), and to know what are the steps to follow when purchasing a property in Portugal.


With our 8 years of experience with rancophones (we have now accompanied nearly 300 buyers) and especially our 30 years' real estate experiences in Portugal where we are one of the main actors, we have developed a Guide that will help you to see more clearly.

We are, of course, at your disposal for further information.

Wishing you a good reading

Cécile Gonçalves

Associated Casa em Portugal



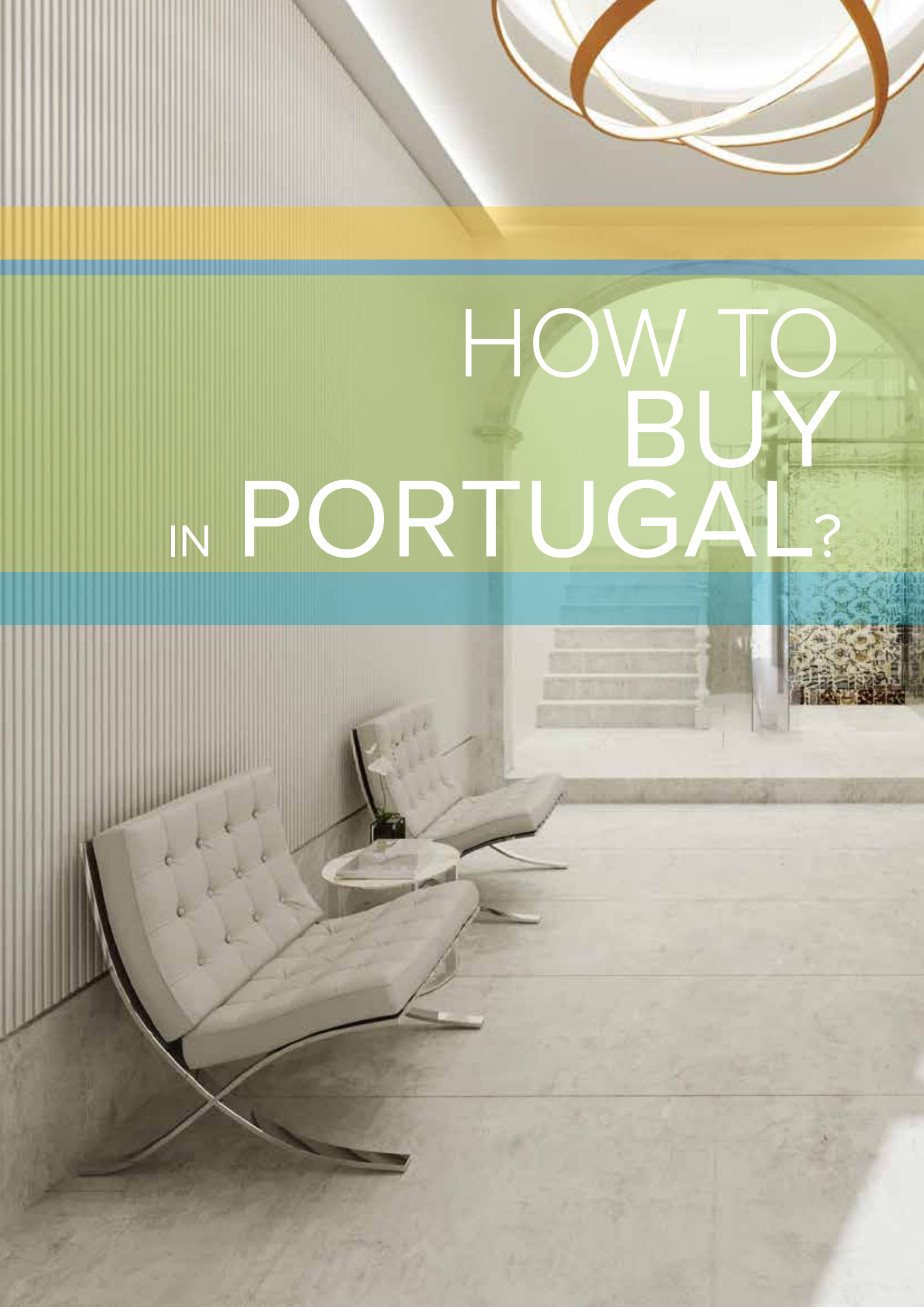
WHY BUY IN PORTUGAL?



- A pleasant living environment, between sea, countryside and mountains
- Sunny weather all year round
- A welcoming and calm country
- A dense history and heritage
- Many daily flights with the France, Belgium, Switzerland and Luxembourg
- A lower cost of living
- A dynamic and growing real estate market
- A lighter taxation

To learn more about life in Portugal, [click here](#).
[How is a purchase made?](#)

From looking for a property to signing, **Casa em Portugal** accompanies you every step of the way



HOW TO BUY IN PORTUGAL?

How to buy in Portugal?

By own funds.

Thanks to the free movement of capital in Europe, it is entirely possible for you to finance the purchase of real estate in Portugal with capital that you have available in your country of origin.

By bank financing.

You can opt for a loan taken in Portugal with a mortgage guarantee of the property in this country. The loan conditions are different. The rates in Portugal are mostly uncapped variable rates. It is advisable to approach the banks to know the details of the operation.

You can also opt for a loan from your country of residence with a guarantee - insurance or mortgage - of a property in this country.

An advice from Home in Portugal

In any case, the Portuguese law does not force the contracts of promises of purchase in Portugal to time of retraction nor to clauses of suspensions by obtaining the mortgage, it is strongly advised to know its financial capacities the conditions of loans before signing.

Intimidated by the administrative procedures, the opening of a bank account, the Portuguese tax authorities? When you buy with House in Portugal we accompany you physically for the opening of the bank account, the request of the NIF (tax identification number) with the tax authorities and the opening of the general services (electricity, water). For more complex requests, we can recommend providers.

From the search of a property to the signature, the Casa em Portugal accompanies you in all the stages of your purchase of real estate and disables some of the subtleties of the procedures Portuguese.

The House in Portugal carries with you the list of properties that may correspond to you:

- Is it a rental investment, a second or main residence?
- Is it a residence for your retirement or for a new chapter of your life professional?
- Do you want to live in the city, on the outskirts, by the sea, in the countryside?
- And of course, what surface, what benefits do you want for which budget?

[Click here](#) to discover our entire catalog of properties in Portugal.

Good to know: in Portugal, the surface area of the apartments is expressed in gross or useful m².

The gross area includes walls, some properties with terraces, the floor space refers at the exploitable size of the apartment.

This is other ways and customs, be sure to dispel any uncertainty!

After a few visits, your choice stopped on a property. What happens next?

The reservation of the property

It is done by signing a document by you and the seller (or their legal representatives). This is, in the majority of cases, a free document between the parties. In return for a payment of € 5,000 to € 10,000, the property is withdrawn from the market for a period specified in the reservation document (usually fifteen days).

This period is used to plan your trip, gather the necessary documentation for the drafting of the Promise of Sale. If you wish to opt out during this period, you can do it freely within this period (the sums are then reimbursed).

Good to know: the reservation system is free. It is not practiced by all sellers.

Your taxpayer number and the choice of a tax representative

Once you have made your choice, to go further in the process, you will need to obtain a Portuguese taxpayer number. This number is essential when opening an account or a real estate purchase.

It is issued very simply and free of charge by the tax authorities.

You can also choose a tax representative (who can be a legal person).

It can for example be your accountant (which will facilitate the process).

This step is not mandatory, in accordance with European laws.

On the other hand, it is indispensable for Swiss tax residents.

Casa em Portugal accompanies you when needed, at every administrative step.

The promise of sale

It is signed by the buyer and the seller, or their legal representatives.

This document formalizes the terms, the delivery times of the property, the payments and conditions sales.

The buyer will pay a deposit on signing this document which corresponds to a percentage agreed between the parties in advance, on the total purchase price.

This document commits you as soon as it is signed.

The deed of sale or “ authentic deed ”

Definitive ownership is conferred on the signing of the deed of sale. All necessary documents are verified by the notary before the final contract is read aloud, explained and signed by the parties.

Casa em Portugal assures you of the presence of one of the members of his team to ensure the proper understanding of each step.

Good to know: The bill of sale can be elaborated, with the choice:

- *by private notary*
- *by notary public through the body called “Casa Pronta” (literally translated as “Ready House”)*
- *or through a lawyer (particular authenticated document).*

The registration of the property

After the execution of the act, the property is registered by the buyer or someone he mandates in the land register and in the domain of the property.

A couple is standing on a wooden deck, looking out at the ocean during sunset. The woman is wearing a light pink long-sleeved shirt and white pants, and the man is wearing a light blue long-sleeved shirt and khaki pants. They are standing close together, with the man's arm around the woman. The deck is made of dark wood planks and has a metal railing. In the background, the ocean is visible with waves breaking on a sandy beach. The sky is a mix of blue, orange, and yellow, with the sun low on the horizon. The overall mood is romantic and serene.

TAX ON PORTUGUESE PROPERTY PURCHASE

Portuguese property is subject to a particular tax which varies according to the nature of the property, its location, purpose and so on. **Casa em Portugal** explains what there is to know.

Taxes to be paid at the time of purchase

The commission of the real estate agency if it takes place is in turn the responsibility of the seller. The acquisition fees and taxes are the responsibility of the purchaser.

There are 2 taxes:

1. **The stamp duty:** it concerns all acts, contracts and other documents drafted at the time of the transaction. It is currently 0.8% of the purchase value or cadastral value (whichever is greater).
2. **IMT (property tax on expensive real estate transmissions)** differs in the house according to the use of the good (principal residence, secondary) and its nature (dwelling, non-urban ground, trade)

For second homes (habitation)

IMT is calculated based on the purchase price of the property or its cadastral value (the highest amount). A scale is then applied according to 7 slices and an abatement.

Portugal Continental - SECONDARY RESIDENCE

| Value of the property (cadastral or commercial) (€) | Tax rate (%) | Tax cut down (€) |
|---|---------------------|------------------|
| Until 92.407 | 1 | 0 |
| From + de 92.407 to 126.403 | 2 | 924,07 |
| From + 126.403 to 172.348 | 5 | 4.716,16 |
| From + 172.348 to 287.213 | 7 | 8.163,12 |
| From + 287.213 to 574.323 | 8 | 11.035,25 |
| From + 574.323 to 1.000.000 | Single rate of 6% | |
| More than 1.000.000 | Single rate of 7,5% | |

EXAMPLE

For an apartment in a secondary residence with a purchase value of 300.000 €:
 $300.000 \times 8\% - 11.035,25\text{€}$, IMT = 12.964,75€

For main residences (habitation)

IMT is calculated based on the purchase price of the property or its cadastral value (the amount higher). A scale is then applied according to 7 slices and an abatement.

Portugal Continental - MAIN RESIDENCE

| Value of the property (cadastral or commercial) (€) | Tax rate (%) | Tax cut down (€) |
|---|---------------------|------------------|
| Until 92.407 | 0 | 0 |
| From + 92.407 à 126.403 | 2 | 1.848,14 |
| From + 126.403 à 172.348 | 5 | 5.640,23 |
| From + 172.348 à 287.213 | 7 | 9.087,19 |
| From + 287.213 to 574.323 | 8 | 11.959,32 |
| From + 574.323 to 1.000.000 | Single rate of 6% | |
| More than 1.000.000 | Single rate of 7,5% | |

EXAMPLE

For an apartment in a main residence with a purchase value of 300.000 €:
 $300.000 \times 8\% - 11.959,32\text{€}$, IMT = 12.040,68 €

Special cases:

- for the purchase of a rustic land, the rate is 5%
- for the purchase of another type of property (tourism, commercial ...), the rate is 6.5%
- when the buyer comes from a country defined as a tax haven, the rate is 10% without deduction

Drawing up the act and registering the property in the name of the new owner: these costs include the processing fees (about € 200) and the costs of drafting the deed of ownership (about € 600 at a notary). Costs of the acts are free in Portugal

Annual taxes

Property taxes

There are two types of property taxes:

- **IMI** (property tax of municipalities) which is due each year. It is calculated on the value Patrimoniaire Tributaire (VPT), the equivalent of the cadastral value (generally lower at the purchase price).
 Each municipality is free to apply a rate ranging from 0.3% to 0.5%.
- **AIMI** only concerns households whose property assets in Portugal exceed € 600,000 of cadastral value for a single person or € 1,200,000 of cadastral value for a couple. Its rate is 0.7%; It goes up to 1% (marginal rate) for cadastral values greater than 1 million € for a single person and 2 million € for a couple.

Good to know: in Portugal the cadastral value (value Patrimoniale Tributaire: VPT) is generally much lower than the market value of the property. You will find this value in the “identity card” of the property (caderneta predial).

Tax on rental income

If you rent your property, the income will be subject to the payment of an income tax at the fixed rate of:

- 28% on the annual return if the income is collected by a natural person
- or 25% if the latter is perceived by a person with an organized accounting. In both cases, maintenance, maintenance and property taxes can be deducted from income for tax purposes.

Taxes due at the time of resale (Plus Value)

When reselling your property, you will have to pay a capital gains tax at a fixed rate of 25% (for non-residents).

In the case of tax residents in Portugal, there is a tax exemption for capital gains on principal residence provided that the following three conditions are met:


- the selling value, deducted from the amortization of a loan used to purchase the property, is reinvested in the acquisition of another property, land (s) for construction and / or construction, or extension or the improvement of another property for the same purpose in Portugal or in Europe;
- reinvestment is made between the previous 24 months and the 36 months following the date of sale;
- the taxpayer expresses the intention to reinvest, even partially, by citing the respective amount in the tax return for the year of the sale.

Taxation in your country of residence

Portuguese property income obtained by non-residents will be exempted from taxation in their country of origin under bilateral tax treaties signed between Portugal and, respectively, France, Luxembourg, Switzerland and Belgium.

To get all the details of the calculation of the tax, the scales of application as well as any special cases and exceptions, we put you in touch with our trusted partners and legal experts.

Contact us!

A modern multi-story building with balconies and a swimming pool area. The building has a blue facade on the upper floors and a grey stone-like facade on the lower floors. The balconies have white railings. In the foreground, there is a swimming pool with a wooden deck, lounge chairs, and a person sitting on a pink inflatable ring. A couple is walking on the deck near the pool. The sky is clear blue.

ENJOY
YOUR PROPERTY
IN PORTUGAL.

Whether it's a main residence, a secondary residence or a rental investment, with Casa em Portugal, your property is in good hands.

Accompany you during your installation in Portugal

Open a bank account, choose your electricity supplier, arrange your apartment, select a school for your children, find a housekeeper, learn Portuguese.

The list of choices and requirements that follow a move abroad can be put off.

Count on House in Portugal to support you in these steps, guide you and advise trusted partners that will facilitate the first time in Portugal.

Assure the patrimonial management

We put at your disposal our experienced field team to represent your interests at best: from the selection of candidates to rent to the supervision of your property and its maintenance. With House in Portugal, you can also benefit on certain types of property, enjoyment of your rental investment several days a year.

[Click here](#) to discover our available properties!

Ensuring resale

If you want to sell your property, Casa em Portugal can also ensure this step. Estimate of the property, sale, selection of potential buyers and visits: we hold at your disposal!

A major player in the Portuguese real estate sector, we have been designing, developing and managing real estate in Portugal for 30 years.

Our clientele is mainly Portuguese, which ensures you healthy market conditions. We created House in Portugal in 2011.

The entirely **French-speaking team** operates from its offices in Paris, Lisbon and the Algarve.

Shot especially for **foreign clients** (French but also European, Brazilian or African), the 15 employees respond to your specific issues and your need for advice.

It guarantees a **turnkey service** to support and secure your investment at all levels (technical, legal, tax and financial).

Casa em Portugal is affiliated to the **Libertas group**.



With 250 million euros of assets spread throughout Portugal, **Libertas** has been developing real estate projects for more than 30 years, mainly through real estate development and the construction and renovation of buildings.

The **Libertas** group is also active in ancillary sectors such as conventional rental and tourist management or service delivery.

Do you want to invest in Portugal and want more information?

Contact one of our **Francophone collaborators!**

Maison au Portugal - Paris

44, Rue des Vinaigriers, 75010 Paris, France

(sur Rendez-vous)

00 33 1 46 07 00 24

Metro: Gare de l'Est ou Jacques Bonsergent

Home in Portugal - Lisbon

Av. da Liberdade 129B, 1º, 1250-140

00 351 213 254 107

Subway: Avenida

<https://www.home-in-portugal.com>

info@casa-em-portugal.com

AMI n°7893

We thank our partners **BWV Business & Tax Advisers**

Fiscal and Financial Expertise that helped us develop this Guide

Av. Elias Garcia, n.º 91, 1.º andar Lisboa

Contact parlant français:

Amélia Mariano amelia.mariano@bwv.pt | T: (+351) 211 581 125

www.bwv.pt

This document summarizes in a non-exhaustive way the various information, in particular fiscal information on the transactions relating to the property in Portugal. It can not be interpreted or used as a single element of decision support. The elements in this document are indicative. For more information, House in Portugal can recommend professionals from the finance, taxation and Portuguese law.

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