

Overseas buyers guide to Portugal.



Key areas to consider before buying a property in Portugal.

Avoid the fiction. Get the facts

Buying a property overseas can be daunting, especially when newspapers and television programmes highlight the horror stories, but the good news is it doesn't have to be that way. Take our clients for example, they tell us time and time again how their experience has not only been a positive one but also has exceeded their expectations. How? By being prepared! It is crucial for anyone looking to buy a property overseas to be fully informed if they want a hassle-free experience, which is why we have produced a series of guides to help prospective buyers.

A brief guide

This guide is designed to provide a snapshot of the key areas you will need to consider before buying a property in Portugal. Every country has its own way of doing things and being aware of the differences is an important step in your journey.

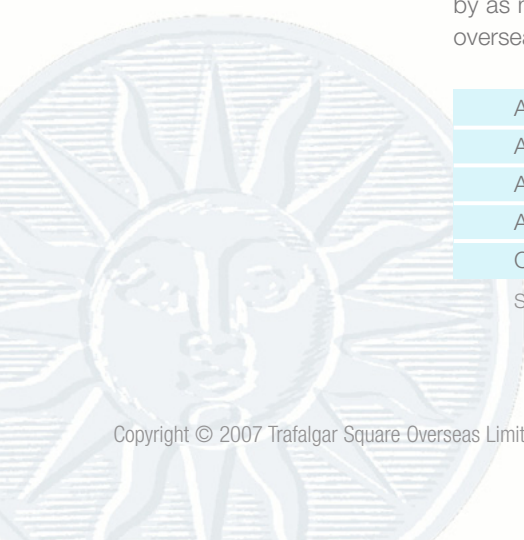
Portugal – property statistics

A recent survey carried out by 'Homes Overseas.co.uk' found that 21% of the participants were looking to buy in Portugal.

Portugal has been a member of the EU since 1986. Property in parts of Portugal has risen in value by as much as 20% a year for the last 5 years and it has recently been voted the No1 location for overseas property buyers.

Average house price	£277,500
Average rent per week	£676.00
Average rental weeks	19
Average annual rent	£12,779
Capital growth pa (02-06)	11.4%

Source: Savills Research; Office of National Statistics; homesoverseas.co.uk



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The legalities

Purchasing property in Portugal is relatively straightforward.

Independent legal advice: You will need a legal adviser, preferably an English speaking lawyer, to ensure your interests are represented when making the purchase.

Bank account: An account in Portugal will be required in order to facilitate your financial transactions within the country.

Fiscal Number: You will need to obtain a fiscal number before signing any contracts. Your lawyer will be able to help you with this.

Promissory Contract ('Contrata promessa de compra e venda': This is a binding contract which is signed by both you and the seller at the Notary Office. At this point, you will be required to pay a deposit of up to 10% of the purchase price. A date is then agreed with the Notary for completion of the sale.

Deed of purchase and sale ('escritura de compra e venda '): This is the final contract and is signed in the presence of the Notary and officially recorded. All appropriate documents including the Certificate proving payment of the Property Transfer Tax and the balance of the purchase price, are passed to the Notary.

Land Registry Department ('Conserato Registo Predial'): The certified copy of the Deed of Purchase and Sale should be presented to the Land Registry Department at which point you will be registered as the new owner.

If you are looking to purchase a new-build property, there are additional facts that you will need to take into account. See below for details.

Additional purchase costs

Aside from the actual purchase price of the property, you will need to take into account the following costs:

Legal fees: Allow for anywhere between 1% to 2% of purchase price. This covers items such as legal advice, property searches, Notary fees, document translations and/or a requirement for an interpreter, Land Registry fee ('Cadastre') and the cost of a Power of Attorney if appropriate.

Taxes

Property Transfer Tax ('Imposto Municipal Sobre'): There is a sliding scale of tax and credits relative to the purchase price. However, there is no tax or credit payable for the first 83,500. For further details, ask for a copy of our free, comprehensive, no-nonsense guide.

Acquisition Stamp Duty: This is a flat rate of 0.8% of the purchase price which is payable upon signing the deed.

Mortgage Stamp Duty: This duty operates on a sliding scale according to the total mortgage liability and term.

Urban Property Tax: This is charged twice yearly, usually in April and September, and the amount varies according to the property's value as determined by a Tax Services assessment.

New-build properties

There are other factors you will need to consider if purchasing a new-build property and/or apartment, such as a condominium fee, owners' club fee, connection charges etc. Further details can be found in our free, comprehensive, no-nonsense guide.

Turning overseas dreams into financially balanced realities.

The Next step

If you are serious about buying a property in Portugal, contact us today to order our comprehensive, no-nonsense guide. It's full of facts and figures – including insights into the buying process – as well as information on what to expect and to budget for once the property is yours. You will also find details of our services and how we have helped our clients turn their overseas dream into a welcome reality.

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Language is no barrier

Employing the services of an interpreter is easier than you might think and can make all the difference to your buying experience. Ask us how.

Overseas but over here

Trafalgar Square Overseas is a truly independent advice-based mortgage brokerage. Our guiding principle is to break the mould of institutional-style selling by operating a new, non-aligned mortgage business which is client-centred and based entirely on service.



Trafalgar Square Overseas is a Member of the Association of International Property Professionals (AIPP). In an effort to improve the professional standards of the international property market, Members of the AIPP have voluntarily committed themselves to industry regulation.

When you see that a company is a Member, it means:

- A company has been vetted and approved.
- A company has submitted to industry standard training.
- A company has agreed to follow the AIPP Code of Conduct, one established to help and protect you, the buyer, by ensuring Members follow professional guidelines.

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