

Portugal: An Ideal Country If You're Looking to Invest in Real Estate



Just 10 years ago, 20% of Portugal's capital city, Lisbon, was in a state of ruin. Portugal was the forgotten corner of Europe, Spain's shabby sister. The introduction of a Golden Visa scheme, in 2012, changed all that and today Portugal is the hottest property destination in Europe and its capital one of the continent's most visited cities.

The share of foreign investment in Lisbon's high-end properties is a staggering 59%. So many celebrities, such as Madonna and John Malkovich, have bought property in Lisbon and the Algarve that locals have taken to jokingly referring to it as 'California'. The Golden Visa certainly triggered the rush of foreign interest, but there are plenty of other reasons why people love Portugal.

It's a lovely place to live

This a country with 1,000-miles of coastline and beaches which have been acclaimed as the best in the world. The south enjoys an average of 300 days of sunshine a year and winters are short and mild. Portugal has been rated as the 4th safest country in the world and its health and education services are of a high standard. Its cost of living is one of the cheapest in Europe, around 50% lower than the U.S.A., and its quality of life one of the highest.

The country's rich cultural heritage is reflected in a wealth of outstanding art and architecture and the contemporary art scene is vibrant and thriving. And as if that isn't enough, you can enjoy outstanding local wines and the freshest seafood you'll find amid some of the most beautiful scenery in Europe.

So, what is the Golden Visa scheme?

Several European countries operate a Golden Visa scheme, but Portugal's is by far the most generous and most popular. For an investment of as little as 280,000 euros, a foreign investor becomes eligible for a visa for themselves and their family. This means residency rights and free travel within the covid

In five years the visa holder then becomes entitled to a full Portuguese passport and in order to fulfill residency requirements you will only need to be in the country for a minimum of seven days per year.

A housing market that shows no sign of slowing down

Prior to the pandemic, Portuguese property values rose year on year. Between 2016 and 2020 Lisbon property prices increased by 49% and in the northern city of Porto by a staggering 83%. The pandemic slowed increases in most of the country, but not in the Algarve, where prices rose by a further 12% in 2020. Despite Covid, 2020 actually saw an increase in the volume of property investments and the indications are that as the Portuguese economy recovers, prices will continue to rise.

One factor which may drive demand in some areas is the imminent ending of the Golden Visa scheme for Lisbon, Algarve and Porto, though there are still plenty of other areas of the country which are drawing interest from developers and investors.