

DEMAND FOR PORTUGUESE REAL ESTATE ASSETS EXCEEDING SUPPLY - CAIADO GUERREIRO

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Demand among foreign investors for Portuguese real estate assets is soaring with the result that, in some segments of the market, it is starting to outpace supply, says Maria Margarida Torres, a senior lawyer at Caiado Guerreiro in Lisbon.

The measures taken by the Portuguese government aimed at attracting foreign capital in the wake of the financial crisis – such as the Golden Visa scheme introduced in 2012 and the non-habitual resident tax regime, implemented in 2009 – have attracted investors from around the globe. Foreign investors' continued interest in the Portuguese market has resulted in an increase in real estate prices. "The biggest challenge that our clients are facing at the moment is the price of real estate, which has increased significantly in recent times," remarks Torres.

In addition, Torres says there is a shortage of completed developments, which are in high demand. "Only a few developments are completed and ready to be sold at present and new properties are, for the most part, still under construction," she explains. According to Torres, demand for all types of Portuguese real estate is high, from residential developments to office buildings, hotels and short-

term rental properties.

The majority of the deals in the Portuguese real estate sector involve assets being bought by foreign investors, says Torres. "For the most part, investors come from abroad, mainly from non-European countries such as South Africa, China, Brazil, Lebanon and Russia," she adds. "They are particularly interested in new and luxury properties, especially in Lisbon city centre."

As well as purchasing completed properties and developments at the high-end of the market, investors are targeting old buildings with a view to refurbishing and selling them on, Torres says.