

GROWTH IN REAL ESTATE SECTOR 'SHOULD CONTINUE FOR NEXT THREE TO FOUR YEARS' - SPS ADVOGADOS

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Calmer European markets, uncertainty in Brazil and the oil crisis in Angola has led to investors targeting more assets in the Portuguese market

SPS Advogados partner Edmundo Batalha Reis says that the growth experienced in the Portuguese real estate sector last year has continued into 2017. "I think the market has strengthened, as in, activity has increased at the same rate as in 2016," he adds. "This trend should remain the same for the next three to four years, though there may be a slight decrease." Batalha Reis says there has been "bustling real estate activity" in Portugal due to the fact the country is attracting not only domestic investment but foreign investment too. He adds: "If calmer European markets bolstered the confidence of investors, the mistrust felt over the past two years in Brazil, as well as the oil crisis in Angola, has meant greater investment in Portugal, even with the difficulties faced in exporting currencies for investment in other countries."

In addition to domestic companies and investment funds, other major investors in Portugal include high-net-worth individuals and companies from France, Brazil, China, Angola and the Middle East, says Batalha Reis. However, he adds that very few real estate investment funds are being

established, "perhaps due to the increasingly high level of supervision by national regulatory authorities". However, the increase in mortgage loans has generated major transactions "the likes of which hasn't been seen for quite some time", Batalha Reis says. In addition, short-term rentals, as well as the appearance of new hotels and tourist accommodation facilities, are becoming more common. "Tourism has created a new business segment that has led to very interesting opportunities for law firms," says Batalha Reis. And with demand outstripping supply in the market for office space, there are now more opportunities for law firms related to construction and real estate development. "There has also been a boom in the rehabilitation of old buildings in major cities such as Lisbon and Porto," he explains.