

Unique Living's guide to purchasing a luxury property in Portugal

We have provided a brief overview of the procedures when buying a property in Portugal. We always recommend you get independent legal advice, but we do hope you find this snapshot informative.

1. Securing a property

Once you have chosen a suitable property, Unique Living and our local team will assist with the negotiations to obtain the best price.

2. Reservation

You reserve your property with a deposit – usually 5,000€.

3. Appoint a local Solicitor

Who will work on your behalf to check the legal status of the property, and represent you for the purchase. To do this, the lawyer will need a power of attorney to be able to act on your behalf.

The solicitor will analyze the following documents, which are required for all property transactions in Portugal: official tax documents – ensuring there are no outstanding taxes due on the property habitation license – ensuring the property meets all legal requirements for habitation land registry document – ensuring the owner has the rightful power to sell, and that there are no charges registered against the property

4. Fiscal representation

Your solicitor requests a fiscal number on your behalf from the Tax Office.

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5. Promissory contract (Contrato de Promessa de Compra e Venda)

This is a binding agreement between the purchaser and the vendor, which will be drawn up by your solicitor. The document will outline the negotiated terms of sale, including price, payment schedules, completion date and any special terms agreed by both parties. The agreed deposit amount is paid to the vendor with the signing of this contract.

6. Deed & Registration – (Escritura Pública de Compra e Venda)

Your solicitor will also arrange for the final deeds to be signed at the notary's office. The balance of the purchase price is paid and the notary enters the transaction in the official records.

All keys and property documents are handed over from the vendor at this time – and the property is officially yours. Your solicitor will then present a copy of the deeds to the tax office and land registry department, to register you as the new owner. The period of time between the promissory contract and the signature of the final deeds can vary, but in general it is between 30 and 60 days.

7. Fees

Purchase costs will run approximately 8-8.5% of the purchase price, and include: Notary, stamp duty & land registry fees are the responsibility of the buyer and will cost around 2% of the purchase price. Property Transfer Tax – called IMT (Imposto Municipal sobre Transmissões Onerosas de Imóveis) must be paid prior to the deed and will run up to a maximum of 6.5% of the purchase price.

Note: Portugal is one of the most inheritance tax friendly environments in Europe. Along with reductions in Capital Gains Tax and Corporation Tax, the abolition of Inheritance and Donation Tax ensures that immediate family members will not be liable to pay any death duties on inheritance of a property owned in Portugal

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