



SAMPSON PROPERTY

REAL ESTATE AGENTS

BUYING A PROPERTY IN PORTUGAL

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Your Complete Guide

At Sampson Property we are committed to equipping our clients with all the information necessary before investing in Portugal.

We have included below a comprehensive guide to all the ins and outs, procedures, taxes etc. We hope you find this information helpful but if you need clarification on any of the points please feel free to contact us. We value ourselves on offering a transparent reliable service from the start of your search.

1. The buying process

Legal services

Once you have found the right property and negotiated a purchase price with your agent you will need to appoint a local lawyer to act on your behalf. Their services will include local searches, applying for fiscal numbers & drawing up contracts. It is advisable to leave a power of attorney with your lawyer as early on as possible to ensure no delays are incurred.

Fiscal number

To carry out any transaction in Portugal It is necessary to obtain a fiscal number. Your lawyer will do this on your behalf at the start of the procedure and as a non resident you are only liable for rates and capital gains when you sell the property.

Exchange of contracts

After your lawyer has carried out all the relevant searches and confirmed the paperwork is in order they will draw up the promissory contract (CPCV), this is a legally binding contract between the buyer and the vendor stating the details of both parties, the property, schedule of payment and any special terms agreed by both parties.

Upon signature a 10% (this value can vary depending on agreement made) non refundable deposit is paid. At this point under Portuguese law if the vendor does not fulfil the contractual obligations, they are liable to double the value of the deposit to the purchaser. Should the purchaser not complete the contract the deposit remains with the vendor.

Final deed

The final deed is held on a day and time agreed by both parties in a notary office either by the purchaser & vendor or their legal representatives. This is the official transfer of ownership and from this point on the property is yours, all keys will be handed over to you and the utilities will be transferred into your name.

2. Purchasing costs

Legal fees

Lawyers will usually charge 1% of the purchase value for their services (there is usually a min and max price to be charged on a transaction so it is always worth getting a couple of quotes).

Transfer tax & Stamp duty

Stamp duty is a flat rate of 0.8%. Transfer tax (IMT) is payable prior to completion and is on a sliding scale as seen below:

Table I - IMT TAX for Permanent Occupation

Value of the property Transaction	%	Tax amount to deduct
Under € 92.407	0%	0€
From € 92.407 Until € 126.403	2%	1.848,14€
From € 126.403 Until € 172.348	5%	5.640,23€
From € 172.348 Until € 287.213	7%	9.087,19€
From € 287.213 Until € 574.323	8%	11.959.32€
Over € 574.323	6%	0€

Table II - IMT TAX for Non Permanent Occupation

Value of the property Transaction	%	Tax amount to deduct
Under € 92.407	1%	0€
From € 92.407 Until € 126.403	2%	924.07€
From € 126.403 Until € 172.348	5%	4.716,16€
From € 172.348 Until € 287.213	7%	8.163,12€
From € 287.213 Until € 550.836	8%	11.035,25€
Over € 550.836	6%	0€

Notary fees & Registration fees These will usually not exceed 1,000€

Where a sale may differ...

Corporate structure (offshore and company owned properties).

There are still many properties in Portugal held in a corporate structure and they tend to mainly be high end properties.

The property is held in a company as its only asset and the buyers purchase the shares in that company. Your lawyer will still carry out all the same legal searches on the property and there will be an additional due diligence on the company that the property is held in to ensure everything is in order.

On completion there is a simple transfer of shares on the signing of the share agreement by both parties (this does not have to be carried out in a notary).

Costs incurred through corporate structure do not included IMT, stamp duty & notary and registration fees. There are the legal fees plus a fee payable to the management company for the transfer of ownership between £1,000 and £1,500.

For a full comprehensive buying guide including running costs and additional taxes after the purchase please contact us at info@sampsonproperty.com