

THE  
**RONAN MCMAHON**  
REPORT



# PORTUGAL

## Real Estate Buyer's Guide

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When you imagine old Europe—those cobblestone alleys, medieval town walls, crenelated castles on hilltops, all soundtracked by the toll of church bells... Portugal delivers. It exudes history, beauty, and slow-paced living that is—by any standard other than financial—rich. (Although you needn't be rich to enjoy it. Expats report that their expenses here run to about one-third of what they were in the States.)

Quietly friendly, emphatically old-fashioned, and highly conscious of their illustrious history, the people of Portugal are what makes the country such a magical destination. It would be wrong to think that modernity has bypassed Portugal—its infrastructure, education system, and healthcare are as advanced as you'll find anywhere—but the fast-paced rat race that seems standard in North America feels very much an optional lifestyle choice, and not a hugely popular one at that.

Rocky, rugged Atlantic coasts where salt spray mists the air...green hills and winding country roads...medieval towns perched above deep river gorges... graceful cities of broad boulevards and bustling cafés...

Portugal, continental Europe's westernmost country, lies quietly in the shadow of the larger, more boisterous Spain. With a sliver of coastline and an interior that can take you back centuries in time, Portugal in many ways still belongs to an earlier era.

People are friendly and courteous, with an almost courtly manner. Family and friends are important, and people know their neighbors and the local shopkeepers. Ancient buildings look worn and lived-in, and quiet, cobbled lanes wind through seaside villages.



This is Europe as it used to be. And though Portugal has all the modern amenities you'd expect of a European country, you can still enjoy an old-style, Old-World life here.

Though its coast is on the Atlantic, Portugal is typically Mediterranean, with the warm weather and lifestyle that you tend to find in Mediterranean countries. The sea, which forms the country's western border, still plays a strong role in Portuguese life and diet: you'll find fish and seafood on menus throughout the country.

Like countries around the Mediterranean, Portugal also produces good food, wine, and olive oil, at inexpensive prices. Try its slightly fizzy *vinho verde* (green wine) or its port, the fortified wine that took its name from Portugal's second city, Porto. Shop in modern supermarkets, or—as many Portuguese do—in the traditional markets found in cities throughout the country.

Overall, Portugal is arguably Western Europe's most affordable country.

Enjoy all this...and yet have First-World amenities at hand, including road and highway systems, good telecommunications and high-speed internet, museums and concert halls, chic restaurants, cafés, bars, and much more. Portugal has extensive bus and metro services in cities like Lisbon and Porto. Long distance bus and train services carry you throughout Portugal and beyond, so you don't need a car here. And modern airports can take you throughout Europe.

For all these reasons, and many others, Portugal has become a favorite among expats, real estate investors, digital nomads and families in recent years.

As a real estate investor, by owning the right real estate in the right location, you can profit from the country's upward trajectory. At the very least, you can find your dream home for a fraction of what you would have paid back home.

You'll find out more about the real estate scene later in this report, including the availability of financing. And, yes, it is perfectly legal for foreigners to own property in Portugal. But there are some country-specific guidelines to keep in mind.

In this guide, you'll also discover the visa options available to investors and expats...and the incredible benefits they offer.

Safety and security, low-cost/high-quality healthcare, infrastructure, the vibrant local culture...you will find all the details in this guide.

**First, let's take a dive into the most appealing locations in this European gem.**



# THE BEST PLACES IN PORTUGAL

Portugal is one of the world's most popular destinations among vacationers, expats, and real estate investors.

But there is an amazing region of this country that remains overlooked and undervalued.

The stunning towns and cities north of Portugal's second city of Porto boast incredible soft-sand beaches...rich history and culture...and stunning food and architecture—basically, all the elements that make destinations to the south so appealing.

But they are virtually unknown to foreign tourists, expats, and second homeowners. And because of this, prices in these towns and cities are astonishingly affordable. This is Portugal's "undiscovered north."

It is a region that has not garnered the same attention as the Algarve or the Silver Coast, (which will be covered later in this report, along with an island that has become known as the "Hawaii of Europe.")

However, for under-the-radar investment opportunities and the chance to "get in early," a cluster of seaside towns in northern Portugal are well worth a closer look.

## **Why Northern Portugal is Real Estate's Next Big Thing**

So where exactly is "northern Portugal"?

Porto, the country's second-largest city, is in the north. But as Portugal's popularity has soared—in Porto you'll now find throngs of tourists and insane lines—so too have the real estate prices.

But head 30 minutes or so north of Porto, outside the reaches of its extended metropolitan area, and all that fades. The coastal towns and cities become local and residential. These are places well-known to the Portuguese, but where foreign tourists rarely tread.

This is the undiscovered north. And because it's long been overlooked by foreigners, you'll still find real estate bargains. Very soon, though, that will change. More people will come. You see, there's a major trend unfolding that will push people to the north of Portugal.

In recent years, the same headlines arrive every summer in the U.S. and Europe about heat waves, wildfires, and soaring temperatures. As a result, people increasingly want destinations where they have the sun and the beach, but the climate is still tolerable.



The weather in northern Portugal is milder and more temperate than in the south of the country, with daytime averages of between 60 F and 80 F for much of the year. Here, warm, sunny afternoons are followed by gentle, cool evenings, providing perfect conditions for outdoor activities during the day and restful sleep at night.

So, northern Portugal sits at a perfect nexus. It has the beaches, history, food, culture, and climate that people are increasingly looking for. Yet, because it's long been overlooked, real estate prices there are a fraction of what you'll pay in coastal regions to the south.

This stunning region flies under the radar today, but very soon that will change. This region will be discovered. And prices will soar.

What this means is that, right now, there's a once-in-a-generation opportunity. Portugal's "undiscovered north" represents one of the best real estate investment opportunities on Earth. And the moment is now!

This part of Portugal has stayed off the radar, but now a Path of Progress is moving north. (A path of progress is anything that makes a place easier to get to, like new roads, airports, or bridges, or more desirable, say, a 5-star resort in a place that previously only had cheap hostels). Historic buildings are being restored...more work is being done to rejuvenate town centers...more real estate projects aimed at wealthy investors and second homeowners are springing up...

And right now, you can still buy blue-chip real estate here for crazy-low prices.



## The Top Towns in Northern Portugal

### Viana: Portugal's Most Livable City

Viana do Castelo is an hour's drive north of Porto, at the mouth of the Lima River on the country's Atlantic coast.

This is the largest city north of Porto and Braga, though "city" is perhaps a generous way to describe it. The wider metropolitan area, encompassing nearby commuter towns, has a population of less than 90,000. Within Viana itself, there are just 36,000 people.

This helps explain its small-town atmosphere.



Viana was once a hard-working industrial city known for shipbuilding and fishing. These industries remain today, though in reduced form. Ships are still built in Viana. Trawlers still sit along the banks of the river. And more modern industries have come —wind turbine manufacturing is big business here now.

But over the past two and a half decades, the city has been quietly gentrifying.

In 1999, the town's working riverfront was extended and transformed into a vast new public space called Praça da Liberdade, with parks, restaurants, and exhibition venues. The city also took steps to restore its walkable Old Town, known for its medieval architecture, elegant squares, and traditional homes with their intricate azulejo tiles and cast-iron balconies.

Walk Viana's historic center today, and it appears pristine. Its white-washed buildings are filled with upmarket stores and restaurants serving fresh seafood.

Then there are the city's Atlantic beaches.

On the coasts north and south of the river mouth, you'll find five or six to choose from. The most well-known is to the south. Called Cabedelo, it's a popular surfing and windsurfing destination, with surf schools and restaurants set just back from the shore amid the small pine forests that dot the area.

From the center of Viana, the beach is less than a 10-minute drive across Ponte Eiffel, or Eiffel Bridge (named for its creator, engineer Gustave Eiffel, who—you guessed it—also built the Eiffel Tower in Paris). Alternatively, you can take the small, quaint passenger ferry that leaves from the north bank of the river. It all adds up to a hugely livable destination.

As Viana has become more gentrified, new wealthy residents have been moving here. In the center of the Old Town, on a pedestrianized street that serves as one of Viana's main commercial spaces, a developer has converted a grand old historic structure into a luxury condo building comprising 16 homes. These condos are large, bright, and spacious, spanning two floors across 1,400 square feet, with original historic features from the building integrated into the design of the condo. The price tag...a whopping €690,000.

High-end luxury residential projects like this are increasingly common in Viana. On the outskirts of town, along the riverbank, new waterfront condo developments have been popping up.

These are vast homes, with price tags that can run well over a million euros. Not that you need huge sums like this to own in Viana. In fact, you can buy here for a tiny fraction of this.

Homes in the Old Town tend to be smaller due to the nature of the historic buildings, but if you don't mind a reduced living space, you'll find good-value options. There are small apartments spanning 720 square feet—in the Old Town, in good condition—from €170,000 (\$182,900).



It's a pattern that gets played out time and again in emerging destinations around the world. The wealthy are often the first to discover an inherently beautiful destination. They come for the natural beauty, the livability, and to escape the madding crowds. As their wealth pours in, others follow. But there's a lag.

Viana, like many of the destinations in northern Portugal, now exists in that incredible sweet spot. The wealthy have discovered this city, but it remains virtually unknown to the millions of foreign tourists, expats, and second homeowners who flock to Portugal each year.

Across the river, on the south bank, river-view residential communities sit just a few minutes' walk from the beach. Traditionally, this area, known as Darque, was considered less desirable. It's across the water from the Old Town and the government built social housing here.

But as Viana has been gentrifying, and as word has spread about the incredible beaches on the coast south of the river mouth, Darque has come into its own. Prices, though, haven't caught up to this reality.

There's another play to consider in Viana: own on the coast directly north of the city. The small beach towns of Afife, Carreco, and Areosa are all less than 15 to 20 minutes' drive from the heart of Viana's Old Town. Yet prices can be shockingly affordable. Properties without ocean views—such as modern 1,500-square-foot, three-bedroom condos—are available for around €200,000 or less.

In Viana, you'd be buying ahead of an explosion in new arrivals. More people will come to this city to visit... to work remotely... to retire.

The offering here is too strong, and the city too livable. The world hasn't discovered Viana yet, but it will.

### **Esposende: Beachfront Living in a Wealthy Enclave**

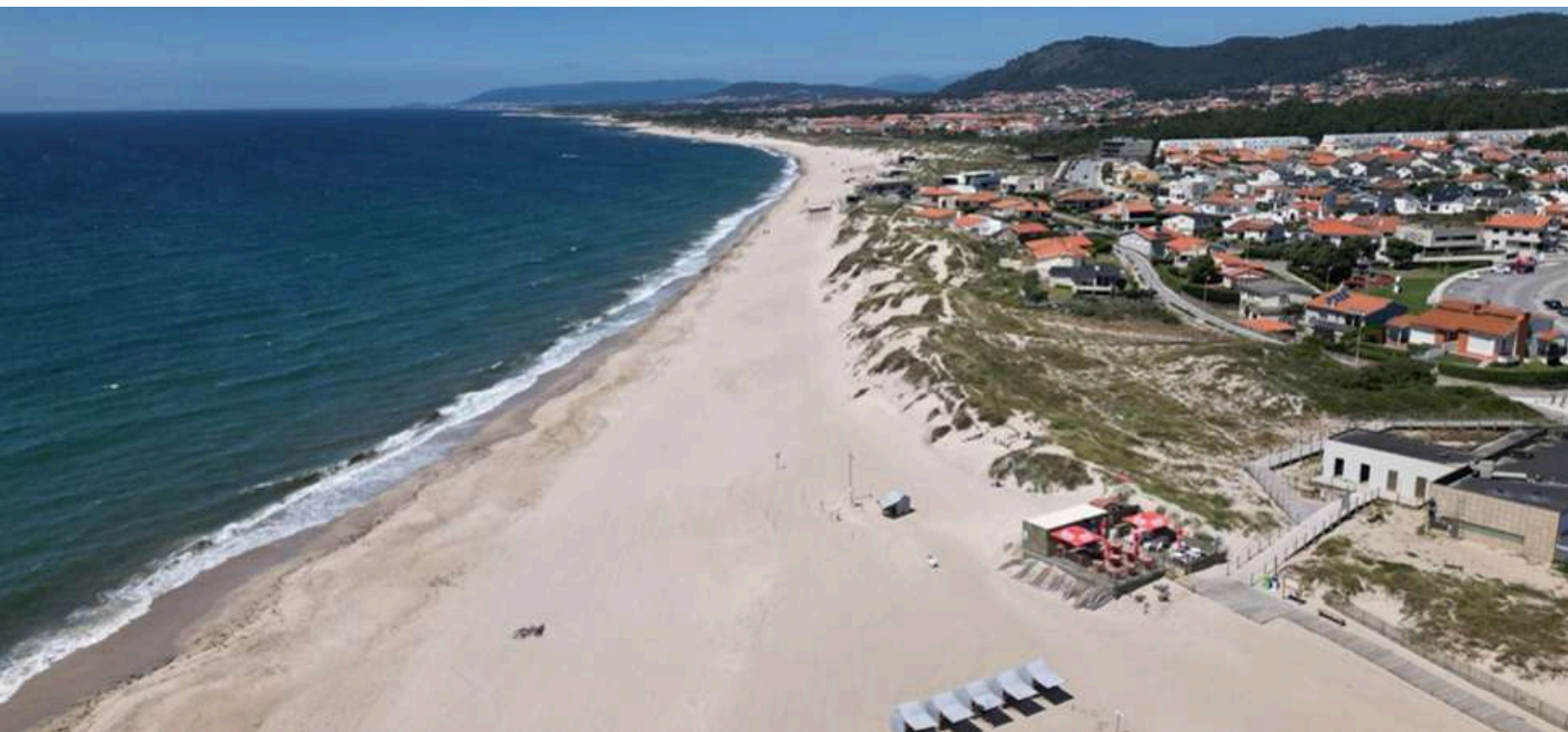
A 25-minute drive south of Viana is the historic coastal town of Esposende. With a population of around 10,000 people, it sits at the mouth of the Cavado River, on its northern bank.

A wide palm tree-lined boulevard runs along the river with a cycle track that leads to Esposende's stunning wind-swept Atlantic beach, backed by low dunes and overlooked by the 17th-century Fort of São João Baptista and the towering red lighthouse that sits beside it.

The geography of Esposende is intriguing. A long strip of sand, now a protected landscape, juts out into the river mouth, leaving only the tiniest sliver of space for the river to flow into the ocean.

Standing on the riverfront promenade in the center of Esposende, beneath the shade of its large palm trees, you'll see, over this protected sandy region, out to the Atlantic. The view is even better from the town's soft-sand Atlantic beach.

Located less than half a mile north of the town center, it looks south to the protected landscape and west out to the glistening blue waters of the Atlantic.



Esposende shares certain similarities with Viana. It's a former fishing hub, and a place that attracts watersports enthusiasts. Surfers, wind-surfers, and kite surfers frequent its Atlantic beaches. Sunbathers too.

Esposende, though, is much smaller and therefore more intimate than larger Viana. The historic center stretches no more than a few blocks in each direction. Nestled within, you'll find plazas fronted by historic buildings like the town hall, expanded from an original structure dating to the late 16th century.

At the center of it all, on Esposende's main boulevard, is the Church of the Misericórdia, whose origins are just as old.

Despite its long history, Esposende today feels modern and affluent, a function of its wide, riverside boulevard and the numerous large villas surrounding the town center.

On the road into and out of town you'll see expansive detached river- and ocean-view houses—some built in a traditional Portuguese-style with verandas and red roof tiles, others modern, with floor-to-ceiling windows, flat roofs, and large terraces. These villas sell for vast sums, even millions of dollars.

Esposende is where many of the wealthy of Braga and Porto choose to own second homes. The town is no more than 40 minutes' drive from either city. Yet, as in Viana, and virtually everywhere else along this coast, Esposende offers exceptional value in the middle tier of the market.



Within the town center, you'll find bargains like updated 1,000-square-foot, two-bed condos listed at about €190,000 (\$202,600). Another example is a 2,150-square-foot, three-bed villa with a pool, tennis court, and sea views on a hill just outside the city priced at €320,000 (\$343,000).

Look to the south bank of the river and you'll find something even more intriguing. A 10-minute drive away from the quaint, compact town center, is the beach of Ofir. This is among the most stunning in northern Portugal, a sweeping stretch of pristine golden sand that's popular with surfers and swimmers alike.

The beach sits within the North Coast Protected Landscape that's visible from the town and stretches out into the mouth of the Cavado River. Walk along the dunes and boardwalks here and you'll get views of the Atlantic Ocean on one side and Esposende on the other.

Three towering condo developments, built between the late 1970s and mid-1980s, overlook Ofir beach. These condos literally hang over the beach. Residents are mere steps away from the sand of Ofir and they have private access.

Today, developers in Portugal are no longer permitted to build this close to the coastline, but these developments are grandfathered in. And the views are mesmerizing.

A one-bed, ocean-view condo in this community was listed recently for just €250,000 (\$269,900). Also on the market: a larger three-bed condo in these buildings listing for €375,000 (\$401,800).

There's a caveat with these condos. The buildings reflect their age. The communal spaces are weary, the building exteriors are an unappealing gray-green, and the facades are decaying in places from decades of being battered by the salty sea air. Remedial work is needed.

All that said, consider this: Unless the law changes, and that seems highly unlikely, nothing will ever be built this close to the beach again. Not on this stretch of coast, not anywhere in Portugal. The limited number of frontline beachfront communities that exist are all there will ever be.

A community like this—overlooking a beach of the quality and popularity of Ofir, and minutes from the wealthy enclave of Esposende—feels like a true find, especially when you can own here from €250,000. If you got a 30-year mortgage of 70% with 3% interest (available to nonresident foreign buyers in Portugal), that's a monthly repayment of only around €734.

### **Caminha: Life by the Beach in Idyllic Small-Town Portugal**

A 30-minute drive north of Viana, sitting near the mouth of the Minho River that separates Portugal from Spain, is the town of Caminha.

Sitting on the country's far north coast, Caminha is an idyllic vision of small-town Portugal. Its winding cobblestone alleys lead to medieval churches and towering stone walls that speak to millennia of history.

Nestled amid its pristine white-washed homes, you'll find buildings painted tinges of green and blue and yellow and pink, adding splashes of color to the historic surroundings.

Restaurants and cafés ring the central square where al fresco diners sip coffee and snack on pastel de nata pastries in the shadow of a 16th-century stone fountain.

In Caminha, history is a constant companion.

Walk this town, which has existed since Roman times, and you'll see constant remnants of its medieval past, from its ancient town walls...to the 15th-century Igreja Matriz de Caminha church...to the 13th-century Torre do Relógio clocktower, which stands watch over the town's main plaza.



And yet, despite all this history, Caminha feels modern and upmarket. It has undergone a stunning rebirth in the past several decades. Buildings in the town square that were derelict as recently as a decade or even a few years ago have been lovingly restored. Today, they host restaurants, art galleries, cafés, and boutique hotels. Caminha is a town on the rise.

Surrounding all this culture are landscapes of outstanding natural beauty.

On its riverfront, a golden-colored walkway sweeps alongside the banks for a mile or so before turning to reach a lagoon beach that juts into the river mouth. This beach is interconnected with another on the Atlantic side called Camarido Beach that offers views out to the ocean.

Just back from the twin beaches are pine-forested campgrounds. On the opposite side of the river mouth, less than 400 yards away at its nearest point, is Spain. It's difficult to imagine a more glorious coastal setting than this.

Yet, this wildly attractive corner of Portugal continues to be overlooked. The beaches are generally blissfully quiet. And for the most part, the only visible visitors in the town itself are the constant stream of hikers passing through, as they follow the pilgrim route of the Portuguese Coastal Camino that leads from Porto to Santiago de Compostela in Spain.

There is evidence that word is slowly getting out about Caminha. It's been appearing more frequently on lists of Portugal's most attractive towns. But there's no question Caminha remains under the radar. Which means the opportunity is still available here. You still have the chance to own homes near the beach in an impossibly picturesque town at prices that are frankly jaw-dropping.



Recently, a 830-square-foot, two-bed condo, close to the beach and with views of the river, listed for €190,000 (\$203,600). If you're willing to take on a renovation project, there was also a 2,240-square-foot, five-bed historic home in the heart of the Old Town listed at just €174,900 (\$187,500).

This town is on the cusp. More people will come. Caminha will be discovered. And that's an immense opportunity. Another benefit is that short-term rentals are allowed here—not the case in every town or city in Portugal.

Find the right property in Caminha and with a mortgage, you could more than cover the cost of ownership. In essence, you could own a home by the beach in idyllic small-town Portugal, and it wouldn't cost you a dime. That's the power of being ahead.

### **The Algarve and the Historic Town of Lagos**

The Algarve is in the south of Portugal facing the Atlantic, yet it boasts a perfect Mediterranean climate.

It's a place of rich culture, great food...soaring cliffs, white-washed villages, stunning beaches, and 300 days of sunshine a year...all of which has made it one of the most popular beach destinations in Europe, attracting millions of tourists each year, as well as a huge number of expats.

Its sunny shores offer perfect escapes for all types, from those seeking an energetic nightlife, to families looking for secluded stays next to vast golden-sand beaches. It has historical attractions in former Moorish towns, thermal springs, and miles of limestone caves and grottoes, cliffs, and bays along its rugged coastline.



The lifestyle here is hard to beat. It's been compared to that of California by the likes of LA Magazine, which is why so many folks from the Golden State love it here. It offers superior beaches, ancient architecture, cuisine noted for fresh seafood and excellent, inexpensive wines. It's a place where the sun always shines and life is lived outdoors.



Lagos is arguably the most historic town on the Algarve. It was home to Henry the Navigator and the adventurers of the Age of Discovery. It's compact, low-rise, and walkable. And from spots all over town you can catch breathtaking views of the Bay of Light, fringed by miles of golden sand.

You can walk from town to the beaches. There are semi-secret sandy coves, long stretches of golden sand, cliffs, sea stacks, and bluffs. The coastline and climate remind folks of Southern California, though I've heard some say the oranges are even sweeter here.

You can also walk to the town's marina and jump on a boat to go sailing, fishing, or cruising around the cliffs, sea stacks, and bluffs of the Western Algarve's awesome coastline. The state-of-the-art marina features a wide range of services and facilities for yacht owners and maritime enthusiasts, including well-maintained docks, high-end restaurants, and boutique shopping.



Here you can sip champagne over a lunch of fresh pastéis de bacalhau (salt cod fritter, a culinary specialty around these parts) on the terrace of one of those restaurants while admiring the panoramic views of the Atlantic Ocean and the charming old town.

The old town's narrow, wave-patterned streets are partially enclosed by 16th-century stone walls and easy to navigate on your own, though you never know what you'll find around the next corner. It could be a charming café, a quaint market, or a pastelaria selling mouth-watering cakes and pastries.

Lagos attracts tourists from all over the world. It's a town with exceptional access. It's just an hour's drive from Faro airport with good road connections. From Faro, you can catch a two- to three-hour flight to almost anywhere in Europe. Overall, it has direct flights scheduled to 75 destinations in 16 countries.

Today, people are flocking to the Algarve in record numbers, both for vacation and to live longer-term...making an already popular destination, with a decades-long history as a tourism hot-spot, even more so.



As a result, resale and rental prices are at historic highs caused by a critical shortage of inventory and a soaring demand for real estate. But if you can find the right deal, at the right price here, this is a fantastic location own real estate in Portugal.

### **The Silver Coast: Portugal's Secluded, Authentic Coast**

Portugal's Silver Coast (Costa de Prata) stretches for about 155 miles from the coast north of Lisbon to the mouth of the Douro River at Porto.

Framed by the Serra de Montejunto mountains and the raw beauty of virgin Atlantic beaches, the Silver Coast is home to Portugal's only marine nature reserve.

The beaches here are long, wild, and sandy—ideal for walkers. The world's surfers gather here to ride waves the size of a multi-story buildings. And you'll also find amazing fishing, hiking, and paddleboarding right on your doorstep, alongside world-class golf courses.



The Silver Coast is beautiful and desirable, but this is not the Algarve. You won't find anything close to the mass tourism of Portugal's southern coast.

The weather is also gentler and more temperate. Warm afternoons are framed by cooler mornings and evenings—perfect for lounging on the beach during the day and getting a restful sleep at night.

Even in August, when it's baking hot 15 minutes inland, temperatures at the beach tend to stay in the comfortable mid-70s range.

The Silver Coast is quiet and authentic.

As Lisbon and the Algarve have become more and more popular, a growing cohort of vacationers, long-term renters, and second homeowners have been looking for quieter, more secluded escapes in Portugal. This is particularly true since the pandemic accelerated the work-from-anywhere trend, enabling millions more people to work fully remotely for all or part of the year.



This has led to a spike in demand for rentals and resales on the Silver Coast. Nowadays, you'll see a lot of shiny new projects on the Silver Coast to serve the growing demand for real estate. But these projects come with a high—and sometimes unjustified, premium.

But it is possible to find true beachfront property (a rarity these days) along this coastline for a lot less than you'll pay elsewhere in the world.

Villas in the Praia D'El Rey Golf and Beach Resort list for up to €4 million, but you can also find high-quality, spacious homes there in the €270,000 to €370,000 range. The lower prices are partly because so much of the advertising focus is on the newer developments in the area. So resales here are overlooked.



Here's a few examples of condos that were recently on the market...

A first-floor two-bed was on the market for €360,000 in Praia D'El Rey. It had spacious, spanning more than 1,600 square feet. And while it doesn't have sea views, it's surrounded by the golf course and a stunning garden.

Also on the market was a second-floor two-bed condo. It's spans about 1,250 square feet and has ocean views from its side terrace. It's listed for €310,000.

A two-bed condo spanning almost 2,000 square feet. It has panoramic ocean views and a large, ocean-facing terrace from which to enjoy them. It's on the market for €595,000.

When compared to the Algarve, or almost anywhere in Europe...this is a fraction of what you would expect to pay for true beachfront real estate.



## The Pearl of the Atlantic

The island of Madeira (known as “the “Hawaii of Europe” and “the Pearl of the Atlantic”) is basically a magnificent mountain rising from the cobalt Atlantic. A series of jagged peaks and a plateau form the highest points.

You’ll find some of the highest sea cliffs in the world here. And some roads are so steep that locals treat them as one-way—downhill only.

Madeira has long been an internationalized place, fashionable with the wealthy of Europe. It was one of the original get-away retreats for the European aristocracy in the late 1700s. They came for the pure air, the outstanding views, and botanical wonders

Madeira doesn’t have the beaches of other warm-weather destinations. The climate of Madeira is mild, with minor variations year-round and temperatures ranging from about 60 F to 80 F.

But this destination does have high-end appeal, with Michelin-star dining, world-class golf, and luxurious resorts. You can browse in Rolex stores and relax in immaculate public gardens and parks.



A few decades ago, getting around the island was an adventuresome chore. Roads clung to cliffs and snaked above the ocean. But massive funding from the European Union has led to new viaducts, highways, bridges and tunnels.

It's a classic Path of Progress event that opened up the entire island for growth and development. And Madeira has definitely developed. The big names of luxury real estate have appeared in force. Demand for real estate is surging.

Just as in other internationalized places, the work-from-anywhere folks are coming and they're bringing their price expectations. For a home of great build quality, with an amazing sea view, but few if any amenities, you can expect to pay well over €500,000.

But context is everything. Look at prices for ocean-view condos with infinity pools and a built-in elevator in California or other parts of the U.S., and what's on offer in Madeira is a straight-up bargain.

Madeira had over 2 million visitors in 2023 and that exploded to 5 million in 2024.



More people are looking for long-term rentals, too. And there are lots of buyers eagerly pursuing their dream homes here. Brits, Germans and increasing numbers of savvy Americans who've discovered what Madeira offers.

There are a couple of potential real estate plays on Madeira...

Look for old ruins for renovation. Try and find one with good ocean views on the southern side of the island. With the right one, and some hard work, you could get a deal.

Find old and unloved apartments in the capital of Funchal, walking distance to the center. The potential play here would be to find something that requires some imagination, some cleaning up and do it up as a short-term rental.

Madeira is one of those places that seems to offer the best of multiple worlds. Like Ireland but with better weather...like Hawaii but without the crowds and sky-high prices...like Portugal but away from it all.

And it's easily accessible to both North American and Europe. More people will come and values will rise...in particular for the best view and quality properties.



# BUYING IN PORTUGAL

You'll be happy to know that foreigners can buy real estate in Portugal without restrictions, and they, including non-residents, have the same rights as Portuguese citizens. The buying process will be somewhat familiar, albeit with country-specific rules and ways of doing things you must keep in mind.

Just as you relied on the expertise of professionals like real estate agents, lawyers, and government officials to assist you when buying property in your home country in the past, you should do the same here. It's important to carefully vet and select experts who can acquaint you with the intricacies of the property purchase procedure, including taxes, filing the transaction with the government, and more.

A Portuguese real estate agency is usually called an *agencia imobiliaria*. After you've found the property you wish to purchase, and the agent has forwarded your offer, the first part of the process is usually a verbal agreement between the vendor and you, the buyer. It's advisable to have a lawyer to check title, etc.

Getting an engineer's inspection is not necessarily the norm in Portugal, and it's not required by the mortgage provider to get financing, but it's better for you to do it. This is particularly important when buying a historic property.

## **The Purchase Process**

A preliminary contract lays out the terms of the sale, including the completion date. In Portugal, either side can draft the contract.

When you sign the contract, a deposit is paid, usually 10%. You will lose your deposit if you subsequently withdraw from the purchase. However, should the seller back out, he/she must pay you twice the value of your deposit.

Bear in mind that this deposit goes directly to the seller which certainly feels uncomfortable. There isn't any sort of escrow service available, nor a lawyer's account to deposit your money. But this is the way things are done in Portugal. Once the deposit is in the seller's account, they are locked into the sales process.

On completion of the sale, and the transfer of ownership, both parties sign the *escritura* (the title deeds) before a notary. The balance of the purchase price plus all fees and taxes is paid at this time.



The other thing you need to set out at this stage is the time window for getting to what's called the "deed." This is the final stage in the sales process...the point at which you close.

Good advice is to set the timeframe at three months from contract signature to deed. Normally you already have mortgage approval in place at this point, but in the event of a delay, this period can give you some leeway.

For purchase-related fees, the ballpark figure is 10%. Depending on declared value, transfer tax goes from 0% to 8%. Legal fees are 1% to 2%; notary and land registry fees around 2.5%; and annual local taxes can be up to 0.8%. Agents' fees mostly range from 3% to 5%, though the seller pays these.

You will need a fiscal number (número de contribuinte) from the local tax office. This is a tax number, in the form of a card, and is required to open a bank account and pay the rates and utilities on the property.

## **You Have Options for Financing in Portugal**

Unlike many countries around the world, in Portugal it is possible for non-residents to secure a mortgage to buy property.

In January 2017, it became possible to borrow up to 70% of the asking price or 70% of the valuation—85% if you are Portuguese—on a property.

Major banks in Portugal are accustomed to working with non-resident foreign buyers. To give you a quick example of typical financing terms, here are the details from a recently-purchased home in northern Portugal...

With a €280,000 loan and a 25-year mortgage with a five-year fixed rate at 2.9%, the total monthly repayments are €1,509.63.

## **Property Taxes in Portugal**

As in all countries, Portugal has its own set of taxes...transfer taxes, transfer stamps, sales taxes, property taxes, and capital gains taxes.



## **The following will provide a bird's-eye view of the property tax situation in Portugal.**

- Property is taxed annually by the municipality in which it is located. Each municipality assigns a patrimonial value and assesses a rate that generally ranges from 0.5% to 1.0%.
- Rural properties frequently have a higher percentage of assessment but a lower value than urban properties.
- You can expect to pay much less in property tax annually than you would in the U.S., Canada, or the U.K.
- If it is a rental property, though, there is an income tax assessed on the revenues derived from that property. Usually this is 28% after expenses, if the owner lives in Portugal.
- Rental properties are treated as businesses, so it is advisable before purchasing a rental property to discuss your total tax situation with your personal tax advisor.

## **Purchasing property in Portugal comes with its own set of tax consequences:**

- There is a tax on the purchase price, generally around 5%, depending on the location and type of property. This tax is usually paid by the seller.
- There is a stamp tax to officially register the sale. This can be as much as another 1% and is usually paid by the buyer.
- There are other ancillary fees associated with the transaction involving lawyers, notaries, and sales agents. If the property is to be mortgaged, the bank will insist on filing its own documents, which will come with their own expenses that the buyer may have to pay.
- Generally, purchasing a property through a bank will require 30% or more as a down payment. At the time of selling the property there will be a capital gains tax assessed of up to 28% on the profits, depending on the tax situation of the owner and the type of property being sold.
- The only other tax consideration with respect to property ownership relates to inheritance taxes. If you're a tax resident of Portugal and have ordered your affairs properly, your immediate family members are entitled to receive the property tax-free.

# What is RETA?

My name is Ronan McMahon. I'm an international real estate scout. My team of researchers and analysts and I spend a small fortune on research and travel as we search out the best real estate opportunities in some of the most appealing locations around the world, including Portugal.

Often, what we find and the deals we make pay off with potential investment opportunities that I share with members of my Real Estate Trend Alert group. **[You can learn more about my RETA group here.](#)**

To be a RETA member is to be first on the very best real estate deals in the world. First to get wind of a big transformation, a big trend or major Path of Progress event, first to get in on the ground floor of that transformation...first to get in on a best-in-class real estate at off-market prices.

The core strength of RETA is our group buying power. It's by acting in unison with like-minded investors—fellow RETA members—that we get the incredible deals that we do.

Over the years, RETA has developed a heavy-hitting reputation in the right circles. Our group buying power is highly respected and sought after. It's how we get deals no one else gets, deals that even the most informed local real estate insiders can't believe. And RETA members will continue to access our pipeline of incredible off-market deals from the world's most desirable locations.

I've been watching Portugal closely and bringing investment opportunities to RETA members for many years, focusing on the appealing beach communities on the Algarve. Let's take a look at our track record.

\* In December 2019, RETA members could buy in a community called Santa Maria from €310,500. Two-bed condos available to RETA members for €390,000 now list for €550,000—a boost of €160,000.

\* In 2020, I recommended condos in a community called Adega in Lagos. RETA members could get penthouses here for the incredible price of €480,000. Those now list for around €1 million...meaning they've doubled in price.

\* In 2021, we had a RETA deal in the luxury community of Dona Maria. One RETA member purchased a penthouse there for €1.1 million. That was recently listed at double that—€2.2 million.

• RETA members could also buy two-bed condos in Dona Maria from €575,000. These now list for about €850,000—an uplift of €275,000.

Nobody I know does the kind of travel and first-hand research we do. Nobody I know has our contacts and ability to negotiate such incredible, off-market deals for members.

And nobody I know has RETA's track record of being ahead as destinations experience major transformations.

Members of Real Estate Trend Alert are the only people who get all my research reports... the inside scoop and contact information for some of the top experts in real estate...and the hottest off market opportunities from around the world.

**[Click this link to learn more about RETA and to join today.](#)**

# SAFETY & SECURITY

The Global Peace Index rates 163 nations and has named Portugal the third safest country in the world. It is a stable democracy with a low level of political strife. The locals are peaceable people who seek to avoid conflict and just live their lives with family and friends. And eat fish and drink wine, of course.

Violent crime is rare. But there are petty crimes of opportunity, like pickpocketing, mostly in large cities and in tourist areas. Just stay vigilant and take care with your valuables.

For the most part, Portuguese people are known for their hospitality and welcoming attitude toward foreigners. They're happy to help.

I'm also happy to report that the road network is in good condition and can take you anywhere you want to go in the country, safely and easily. And public transportation is well-run and safe too.





# HEALTHCARE

Portugal has some of the best healthcare in the world, a vital necessity for anyone who wishes to make Portugal their home.

Compared to the high cost of U.S. healthcare, Americans can expect to pay just a fraction of what they're used to paying at home. Private health insurance in Portugal is available and affordable for people of all ages—with no deductibles or low copays, and even covers some pre-existing conditions.

Expats who become full-time residents in Portugal will have access to both the public and private healthcare systems, hospitals, and clinics.

Most medications or their equivalent which are available in North America can also be found in Portugal and will cost much less. While some medicines require a doctor's prescription, many can be purchased without one.

Dental procedures and routine care are also excellent in Portugal, not to mention affordable.

Many healthcare professionals speak some English, especially in the private healthcare system, where most are fluent. Doctors in Portugal are unhurried and take all the time they need to treat each patient fully.

All expats living full-time in Portugal have access to the healthcare system. After receiving your initial resident card, called a *Título de Residência*, your local health department, or *saúde*, will issue a health number called a *número de utente*. This unique identifying number will register you with the national healthcare system and be used whenever you visit a private healthcare facility.

Most doctors' offices throughout Portugal are in the same complex as the hospital, and these doctors aren't in private practice, but work for the hospital group. Even in the private healthcare system, doctors and specialists see patients in offices attached to the hospital. If the doctor feels the patient requires further testing, this is ideal as they can simply direct them to the appropriate department.



## There Are Public and Private Systems

Private hospital websites offer patients all they need to know, including information about each provider's credentials, what languages they speak, where they studied, and what insurance they accept. Also, patients can easily schedule an appointment on the hospital website or call the helpline, where English-speaking operators are always available.

Doctors in Portugal commonly work on nights and weekends, so it's possible to schedule appointments in the evenings and Saturday/Sunday. Surgeries and other procedures can also be scheduled at these times.

In the public healthcare system, all patients are supposed to be assigned to a doctor upon registering, but since there aren't enough doctors in the public system to go around, most expats and Portuguese have yet to be assigned a doctor. In order to be seen by a doctor in the public system, patients show up at their local public clinic, take a number and wait to see whatever doctor is in attendance that day. Since there's no choice of doctors, they may not speak English.

Even without health insurance, medical costs in Portugal are affordable. In a high-end, private hospital, a patient can expect to pay €50 to see a general practitioner or €90 to see a specialist. In the low-cost public healthcare system cost can be just a few euros and up or sometimes even free, depending on the service.

Private hospitals offer patients modern facilities with the latest technology and private patient rooms. Emergency room triage units include semi-private, curtained-off areas like most U.S. emergency departments.

The Portuguese believe that the public system should be preserved for their elderly population since they often can't afford to use the private system. Those Portuguese that can afford private health insurance prefer to use the private system, as do most expats.

Throughout Portugal, private healthcare clinics offer an array of services, including, dental, clinical analysis, diagnostic exams, and consultations. Most shopping centers even include a private healthcare clinic, perfect for convenience or a sick visit. All clinics feature a doctor on call for walk-in emergency care for minor ailments like respiratory illnesses, fever, scrapes, etc.

Like the rest of Europe, Portugal has access to an emergency response system that can be reached by calling 112. Operators and dispatchers may or may not speak English.

An organization called [iMergencies](#) is geared toward the expat community and offers an emergency support system with English speakers on call around the clock. Foreigners may wish to choose this service for a yearly fee for peace of mind.



## Private Health Insurance is Available

All foreigners living in Portugal must show proof of private health insurance when applying for a temporary resident visa, for a period of five years. Private health insurance starts at around €30 a person per month, for someone young but increases with age, pre-existing conditions, and how comprehensive the policy may be. A couple in their 60s can expect to pay €300 a month for both, to have a high-end policy with a €15 copay to see a doctor.

Pre-existing conditions are typically only covered by insurance companies in Portugal when and if the patient can show proof of continuous coverage.

Lower-end private health insurance can be found for less money with higher co-pays. For those expats who rarely seek medical attention, a policy that covers 50% may be a good choice, while others prefer to pay more upfront and less at the doctor's office.

Some insurance providers are Allianz, Fidelidade, Tranquilidade, Multicare, and Medis, but MGEN is the only private health insurance company that covers people of all ages. Those over age 70 have fewer options and MGEN may be their only choice. Most banks throughout Portugal offer private health insurance to their customers, and even grocery store chains offer discount plans.





# VISAS IN PORTUGAL

Portugal is, without a doubt, one of the most popular destinations for expats. Recent years have seen significant changes to its visa and tax policies, but there are still several excellent ways to obtain residency there.

## Temporary Visas

North Americans are welcome to visit Portugal for up to 90 days as tourists, but if you wish to remain longer, you'll need to apply for a long-stay residency visa.

## Long-Term Visas

For most expats, there are three routes to long-term residency in Portugal:

### 1. *Retiree (D7)*

The most common visa for retirees or those living on passive income from outside of Portugal is the D7. You must show sufficient income from passive sources, suspension, real estate rentals, dividends, or other yielding investments. The minimum required income is around €820 per month for the main applicant, with another €410 for a spouse, and about €300 for each dependent child. Note that these are minimums, and that consular officials have wide discretion to ask for higher incomes.

### 2. *Digital Nomad (D8)*

The D8 visa is for digital nomads who have guaranteed employment outside the country. You must show a monthly income of at least €3,280 from employment or freelance contracts outside Portugal, and around €10,000 in a savings account. The D8 visa comes in two flavors. There's a temporary stay visa for one year, but it doesn't give you the right to claim a residence permit subsequently and cannot be extended. A long-term visa is valid for four months, allows you to apply for a two-year residence permit on arrival, and can be renewed for 3-year periods. After five years, the residence permit can be converted into permanent residence or citizenship. Both the D7 and D8 visas require that you spend at least 183 days of the year in the country, which triggers tax residency. Failure to do so will result in the visa being canceled.

### 3. *Golden Visa (D9)*

The D9 or Golden Visa offers residency through investment without having to live full-time in the country. Until October 2023, the D9 was available to people investing in residential property. Currently, the only investment options are venture capital funds (€500,000 minimum), scientific or technical research (also €500,000 minimum), cultural, artistic, or national heritage projects (€250,000), or, less commonly, the creation of 8-10 jobs.

One of the big advantages of the D9 visa is that it doesn't require you to live in Portugal. You retain residency rights, but you only need to spend a few days every year in the country. Note that if you take advantage of this, however, it may affect your ability to apply for permanent residency or citizenship subsequently.

#### *4. Family Reunification (D6)*

For all of the above visa types, family members can apply for a D6 visa, which allows them to live with the main visa applicant in Portugal.

### **Permanent Residency**

After living in Portugal for five years on a long-stay residency visa, visa holders may apply for permanent residency. This requires the ability to read, write, speak, and understand the Portuguese language at an A2 level.

Visa holders must adhere to specific "time spent in Portugal" requirements. During the first 24-month cycle, visa holders must be physically present in Portugal for 16 months with no absence lasting longer than six months, and not to exceed eight months during the combined period of validity.

During the subsequent temporary visa cycle, holders must remain in the country for at least 28 months during the three-year cycle with no absence greater than six months. At five years, the visa holder must remain in the country for at least 30 months of the next five-year cycle.

### **Citizenship**

Portugal allows for dual citizenship without having to renounce citizenship in your home country.

The Portuguese passport is one of the most widely accepted in the world, allowing visa-free or visa-upon-arrival entry into 184 countries. Portuguese citizenship allows for free travel and the ability to work and live in any country in the European Union. Becoming a naturalized citizen of Portugal allows for lifetime access to the state healthcare system.

The process to apply for citizenship may be started after living full-time in Portugal for five years. Approval can take up to two additional years after the paperwork has been submitted.

Although both permanent residency and citizenship are similar in that they both require proficiency in the language, only citizenship offers a passport, the right to vote, and the ability to live anywhere in Europe.

Applying for a long-stay residency visa is a two-step process. The first step begins in your home country at a designated office assigned by the government of Portugal. This may be a Portuguese consulate, embassy, or for those applying from the U.S., a third-party company. After applying online, you will need to appear in person at a designated Portuguese consulate.

Once approved, you will need to show your passport, in which the agency will paste a visa stamp valid for 120 days. This will allow you to remain in Portugal legally until you have your face-to-face appointment with SEF, the agency that processes and approves visa applications. This process cannot be started from within Portugal. There are 11 required documents needed to apply, but more may be added by certain consulates or VFS.

- 1.** Application for National Visa, the same as the Schengen visa but specifically for Portugal. Every applicant must have their own packet of documents.
- 2.** A passport valid for at least six months after your 120-day visa expires, two color passport photos, and a notarized copy of the main page of your passport. Passports must have been issued within the last 10 years and have two black pages left. Passports older than 10 years with extensions added will not be accepted.
- 3.** If you are not a citizen of the country from which you're applying, you need to show proof that you are a legal resident in that country. This step does not apply if you apply from your home country.
- 4.** Personal statement from each applicant declaring why they wish to live in Portugal. This should be a brief note, handwritten, dated, signed, and include: a description of yourself, such as your profession, and any ties to Portugal, like friends, family, or if you own property. Include where you plan to live, the name of the town, and the type of dwelling. Mention how you intend to get money for daily expenses.
- 5.** Proof of financial means and/or sufficient funds. You must show that you have at least 100% of the current minimum wage in Portugal. This figure changes annually. Note that applicants who only earn the minimum are less likely to succeed. You'll need bank statements, investments, or other financial means.
- 6.** Proof of a funded bank account in Portugal and a NIF (*Número de Identificação Fiscal*), your Portuguese tax number. You may want to open a bank account and apply for your NIF while in the country. You will need to hire someone to do it for you. It's a good idea to fund this account with at least two years of the Portuguese minimum wage or more to help your visa to get approved.

7. FBI criminal background check, or police check if living in a different country, which must be apostilled, and left in an original unopened envelope. The FBI has been processing these requests in three to five business days and charges a prepayment of \$18 to \$50. Requests can be made online. Children under the age of 16 do not need the FBI criminal record certificate.

8. Request or release for a Portuguese criminal record check by SEF. VFS Global and other consulates outside of the US typically request this, while other consulates do not.

9. Proof of private health insurance that works in Portugal, or Schengen travel insurance with medical benefits and covid coverage. Every applicant must have medical insurance with a minimum of \$30,000 in coverage, valid for 120 days (the duration of your visa), have no deductible, explain what it covers, and must include COVID coverage. Be sure to highlight that Portugal is one of the Schengen states that it covers. Once you settle into life in Portugal, you will need to secure private health insurance to carry for the duration of your five-year temporary visa cycle.

10. Proof of accommodations in Portugal, like a rental contract for one year or a deed to a property. This must be in Portuguese but can be accompanied by an English version. The contract must include the names of all adults who will be living in it, the address of the property, the owner's name, and other pertinent information. If you have bought property, you can submit a home purchase agreement or Promissory Contract, if the sale is still in progress. If renting an Airbnb or similar property, you'll also need a rental contract.

11. Copy of marriage certificate or children's birth certificates, if moving with a family. VFS Global requires these for children or a spouse relying on the other for financial support. Two adults applying individually usually do not need these.



## Processing Time

The Portuguese government claims that a decision on visa requests should be made within 15 to 45 days of the documents being submitted, but in reality, approvals can take 180 days or more.

Applications to a Portuguese consulate or embassy should be submitted no more than six months from your intended arrival date. Those who apply through VFS Global should apply no more than 90 days prior to arrival. The FBI report cannot be older than six months. The start date of your rental lease or home contract can be the same as your arrival date, but if you are renting, you will probably be paying rent for several months prior to your arrival to hold your apartment.

You must arrive in Portugal within 90 days of the visa's expiry date and then wait for your appointment with SEF to convert it into a *Título de Residência*.





# INSIDER TIPS

Portugal is a thoroughly modern country, steeped in history, with a distinct culture. It offers the good life to many expats. But as with any place, there are still different customs and ways of doing things you need to get used to if you make it your home. Here are some tips to help you make your way around as expat, especially in the early days. Embracing local customs is one of the joys of being an expat.

## **Cuisine**

The Portuguese pride themselves on their cuisine, which focuses on fresh fish—especially sardines, in season—and pork. Bacalhau, their beloved salted cod imported from the North Atlantic, is so popular that one cookbook features recipes for preparing it every day of the year!

## **You Can Drink the Water**

Bottled water is available everywhere, but unnecessary, as water is potable throughout the country.

## **Tipping**

At a café, tipping is not expected. In a mid-range restaurant, you might simply leave the change after you've paid, or if you've had exceptional service, maybe a euro or two, depending on the size of your bill. Only in an expensive restaurant, or of course in a Michelin-starred establishment, is tipping really expected.

## **Folk Music and Dancing**

Fado and folk music and dancing are Portugal's most important forms of musical expression. In fact, fado is on the UNESCO Intangible Cultural Heritage List. Translating to “destiny” or “fate,” it is characterized by mournful tunes and lyrics, often about the sea, and is linked to the concept of saudade, a word connoting homesickness, longing, and nostalgia.

The importance of fado is confirmed by the fact that on the death in 1999 of Amália Rodrigues, the “Queen of Fado,” three days of national mourning were declared. Even the smallest town in Portugal has a square, often by the church, for presentations of regional folklórico. Participants in colorful dress sing traditional songs and perform time-honored dances accompanied by instruments such as guitar, mandolin, bagpipes, accordion, violin, and drums.



### **Café Culture**

From early in the morning until late at night, the Portuguese can be found sipping coffee at their local café. They gather to talk, read the paper, and visit neighbors at all hours. These establishments are magnets for the community and, as a newcomer, you are more than welcome.

### **Sports**

Soccer, futebol, is the most popular sport in Portugal. The oldest club, Boavista, after the Porto neighborhood of the same name, was founded in 1903. Sporting and Benfica are the rivals in Lisbon, and there are other clubs throughout the country. The national team consistently ranks highly in international competition. Learning a bit about the sport will help you connect with your new neighbors.