Thank you all and Welcome

Portugal
Agenda

- Portugal from North to South;
- Portugal in numbers;
- Purchase and Sale of real estate;
- Legislation (Urban Planning and Urban Licensing);
- Licensing versus Prior Communication;
- Market and Demand.
Why Portugal?

A mild climate, 3000 hours of sunshine per year and 850 km of splendid beaches bathed by the Atlantic Ocean make Portugal the perfect destination for all seasons.
Why Portugal?

In this country that has the oldest borders of Europe, you find a great diversity of landscapes within walking distance, many leisure activities and a unique cultural heritage, where tradition and modernity combine in harmony. The gastronomy, the fine wines and the hospitable people complete the quality tourist offer you will find. Situated in the extreme southwest of Europe and a few hours from any European capital, Portugal attracts visitors from all over the world.
Oporto and North is a region where history, culture and nature combine perfectly, making it a unique destination.
Lisbon’s Region

Lisbon is the capital, one of the most fashionable European cities, but it is also the name of a region that has much to offer.
The Algarve is one of the most well-known Portuguese destinations in the world and corresponds in full to the idea of holidays near the sea: great sun, good weather, great diversity of beaches, spas, water sports, lots of entertainment and a good offer of accommodation.
Portugal
Portugal

Figura 4.1 – Principais movimentos de população empregada na AML, em 2001

Figura 4.2 – Principais movimentos de população empregada na AMP, em 2001
Portugal

- Procedures
  - Projects;
  - Licensing;
  - Construction;
  - License of use;
  - Horizontal property;
  - Sales market.
Portugal

**Divisão Administrativa de Portugal**

<table>
<thead>
<tr>
<th>NUT I</th>
<th>NUT II</th>
<th>NUT III</th>
</tr>
</thead>
</table>

**NUTS I** - (3 Unidades)
Portugal Continental, Região Autónoma dos Açores (R.A.A.) e Região Autónoma da Madeira (R.A.M.)

**NUTS II** - (7 Unidades)
Norte, Centro, Lisboa, Alentejo, Algarve, R.A.A. e R.A.M.

**NUTS III** - (30 Unidades)

---

**1.º nível**

- **Distritos**
  - 18 em Portugal continental

- **Ilhas**
  - 9 na Região Autónoma dos Açores
  - 2 na Região Autónoma da Madeira

---

**2.º nível**

- **Municípios**

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**3.º nível**

- **Freguesias**
Portugal

The NUT’s are divided into: islands, the administrative divisions of the 1st level are only the autonomous regions, the main districts are the districts, the CCDR (North, Center, Lisbon and Tagus Valley, Alentejo, Algarve), metropolitan areas, Inter-municipal communities, etc...

On the other hand, in total contrast with the complexity of the 1st level divisions of Portugal, the 2nd and 3rd level divisions are much simpler, being composed respectively by 308 City hall (also called town hall) and by the 3092 Parishes (Freguesias) where they are divided.
Lei nº 48/98, de 11 de Agosto (LBOTU)

SISTEMA DE GESTÃO TERRITORIAL

- O sistema de gestão territorial organiza-se, num quadro de interacção coordenada, em três âmbitos distintos.

[[Ámbito Nacional]

Define o **quadro estratégico** para o ordenamento do espaço nacional, estabelecendo:
- directrices a considerar no ordenamento regional e municipal
- a compatibilização entre os diversos instrumentos de política sectorial com incidência territorial, instituindo quando necessário os instrumentos de natureza especial.

[[Ámbito Regional]

Define o **quadro estratégico** para o ordenamento do espaço regional em estreita articulação com as políticas de desenvolvimento nacional e de desenvolvimento económico e social, estabelecendo as directrices orientadoras do ordenamento municipal.

[[Ámbito Municipal]

Define, de acordo com as directrices de âmbito nacional e regional e com opções próprias de desenvolvimento estratégico, o **regime de uso do solo e respectiva regulamentação**.
Portugal

SISTEMA DE GESTÃO TERRITORIAL - INSTRUMENTOS (Lei nº 48/98)

Âmbito Nacional
- Programa Nacional da Política de Ordenamento do Território (PNPOT)
- Planos Especiais de Ordenamento do Território (PEOT)
- Planos Sectoriais de Incidência Territorial (PS)

Âmbito Regional
- Planos Regionais de Ordenamento do Território (PROT)

Âmbito Municipal
- Planos Intermunicipais de Ordenamento do Território (PIMOT)
- Planos Municipais de Ordenamento do Território (PDM; PU; PP)
INTRODUCTION
Property project developments in Portugal must always abide by the rules and legal standards relating to urban planning and administrative licensing of projects.
Portugal

Urban Planning and Urban Licensing

The main source for Portuguese urban planning law is legislation enacted by the State in the form of laws and decree-laws, which are approved by the Parliament and the Government, owing to the absence of administrative regions (there are currently only two regions: the Autonomous regions of Madeira and the Azores). The main statutes in which urbanization standards are set out in addition to the Constitution of the Portuguese Republic - LBPOTU (Basic Law on Territorial And Urban Planning Policies, "RJIGT (Territorial Planning Instruments Regulations) and RJUE (Urbanization and Building Regulations -" Legal Regime of Territorial Management Instruments "). Of Urbanization and Edification "). Portuguese municipalities however, perform a fundamental role both in terms of urban planning and property project licensing
Urban planning in Portugal is regulated by several principles, in particular, the principle of urban development in accordance with the relevant plans, i.e. in accordance with objectives set out by the relevant public authorities referred to in the plans, and the principle of standardized plans. The plans set out the principles and rules governing the occupation, use and transformation of the land and therefore play the central role in terms of property projects development.
The territorial management system comprises a series of territorial management instruments designed to achieve specific interests and objectives, which are coordinated with each other.
URBAN PLANNING IN PORTUGAL

RJIGT is the main urban planning law in Portugal. It defines the coordination system between the national, regional and municipal scopes of the territorial management system, the general regulations covering land use and the production, execution and assessment of territorial management instruments.
PMOTs define the land use system via its classification (based on the distinction between rural and urban land) and qualification (regulating and defining the use thereof and, when admissible, the possibility of building thereon). These are fundamental instruments designed to implement urban planning policies at a local level. PMOTs are approved by municipalities and are split up into PDMs (Municipal Master Plans - “Planos Directores Municipais”), PUs (Urbanisation Plans - “Planos de Urbanização”) and PPs (Detailed Plans - “Planos de Pormenor”).
Portugal

**URBAN PLANNING IN PORTUGAL**

PDMs encompass the whole of the municipal district and provide a synopsis of the local planning and development strategy, defining occupation parameters and land use. PUs implement territorial and urban planning policies and may encompass any area included in an urban PDM perimeter as well as rural land complementary to an urban perimeter and areas set aside for urban use. PPs develop and implement proposals for the occupation of any area within the municipal district, with the RJIGT providing for specific modalities of (i) PPs for interventions in rural spaces, (ii) PPs for urban refurbishment and (iii) PPs for protection purposes.
It should be noted that, after certain requirements have been met, PPs may be filed with the land registry and comprise the basis for a land transformation (e.g. dividing the property into plots of land) without the need for the approval of any specific allotment operation (“operação urbanística de loteamento”).

The development of a property project must, therefore, comply with the applicable territorial management instruments, particularly special plans (“Planos Especiais”) and PMOTs. A case by case analysis of the correct application of the applicable urban regulations, taking into account the multiplicity of criteria and existing interpretations, must always be made.
Portugal

**URBAN PLANNING IN PORTUGAL**

(i) strategic territorial development instruments (addressed to other public entities which have to develop the plan), such as the PNPOT (National Territorial Planning Policy Programme - “Programa Nacional da Política do Ordenamento do Território”), PROT (Regional Territorial Planning Schemes - “Planos Regionais de Ordenamento do Território”) and Intermunicipal Plans (“Planos Intermunicipais”);

(ii) sectorial planning instruments;
URBAN PLANNING IN PORTUGAL

(iii) special planning instruments; and...

(iv) territorial planning instruments such as PMOTs (Municipal Territorial Planning Schemes - “Planos Municipais de Ordenamento do Território”)
Portugal

Projects

1. PRELIMINARY PROGRAM;
2. TOPOGRAPHIC SURVEY AND / OR DRILLING;
3. BASE PROGRAM;
4. PRIOR STUDY;
5. BASIC PROJECT [or PRE-PROJECT];
6. PROJECTS OF SPECIALTIES;
7. DRAFT IMPLEMENTATION or PROJECT EXECUTION;
8. TECHNICAL ASSISTANCE
LICENSING OF PROPERTY PROJECTS

The licensing (in the broader sense) of property projects is generally designed to assess whether the intentions of the interested party in terms of urban planning are in accordance with the applicable legal regulations and applicable territorial management instruments.

The municipalities are responsible for preliminary control of urban planning projects, including construction and use of buildings, and allotment of land. This does not preclude the need for the involvement of other entities whose opinion may, in many cases, be binding in terms of project licensing.
Portugal

LICENSING OF PROPERTY PROJECTS

Municipalities are competent to approve municipal urban planning and building regulations, in addition to regulations on the payment of taxes/charges on the performance of urban operations.

Independent external entities: EDP; EPAL; Gás; General Directorate of Cultural Heritage: DGPC; City fire department (security against fire); Directorate-General for Health (DGS); Directorate General of Tourism…
LICENSING OF PROPERTY PROJECTS

The RJUE provide a list of urban operations which require licensing ("licenciamento") and advance notice ("comunicação prévia"), respectively. Other non-listed urban operations which are not exempt from “preliminary control” require advance notice (“comunicação prévia”), which is considered the supplementary form of “preliminary control”.
Portugal

LICENSING OF PROPERTY PROJECTS

The RJUE also lists those operations which are less relevant and have less of an impact in terms of urban planning. They are exempt from licensing or advance notice requirements.
Urban planning operations for which advance notice ("comunicação prévia") must be provided are usually either less relevant in urban planning terms than those which require licensing ("licenciamento") or are performed in areas covered by an allotment operation ("operação de loteamento") or by a PP. Advance notice procedures are simpler and faster than licensing procedures.
As regards urban planning operations subject to licensing ("licenciamento"), the RJUE list the following circumstances in which licensing applications will be rejected: (i) any infringement of PMOTs or Special Plans, preventative measures, administrative rights of way, restriction of “public interest” status ("restrição de utilidade pública") or any other applicable legal and regulatory provisions, (ii) in the event of the existence of a declaration of “public interest” for the expropriation of property for which a licensing application has been submitted, (iii) the existence of a negative opinion or rejection of an approval or authorization by any entity consulted whose decision is binding upon municipal bodies, and (iv) depending on the request, a rejection may also be based on the fact that the urban operation may have a negative effect on archaeological, historic or natural or landscape, natural or built heritage, cause an unacceptable burden on existing infrastructures or general services, or require the municipality to build or maintain any facilities, to perform works or to provide unplanned services such as streets, water distribution, electricity or sanitation networks.
Regarding the communication relating to urban planning operations in relation to which advance notice (“comunicação prévia”) must be provided, the advance notice is rejected when the project is shown to infringe the applicable legal and regulatory provisions set out in the PMOT, any existing permit (“licença”) or advance communication (“comunicação prévia”) on an allotment operation (“operação de loteamento”), technical building standards in force, or the terms of any existing advance information provided (“informação prévia”).
Licences ("licenças") or acceptances of advance notice ("comunicação prévia") generally expire if the acts subsequently required for the performance of the urban project have not been performed within the period established by law.
Reference should also be made to the fact that an interested party may submit a request for advance information (“pedido de informação prévia” - “PIP”) on the feasibility of a specific urban project as well as to any legal or regulatory constraints. This highly relevant mechanism is widely used in the field of property transactions.
An interested party may request the municipality to provide advance information (“pedido de informação prévia”) on diverse aspects of a specific urban project it is interested in performing, such as volumetry, eave height, number of apartments or an estimate of urban planning costs/charges. The municipality has a term to consider the request on the said advance information and its decision is binding on the competent entities in respect of the licensing or the advance notice decision to which it refers. The effects of such information are valid for a period of one year.
LICENSING OF PROPERTY PROJECTS

Reference should also be made to the fact that after the building has been completed a property use permit ("autorização de utilização") for the buildings or condominium units thereof must be obtained. The purpose of this authorisation is to verify the urban project’s completion and conformity with approved plans and licensing or advance notice conditions. The property use permit ("autorização de utilização") certifies the use which may be given to the building or condominium units.
Portugal

Licensing vs Communication

The "Licenciamento Zero" initiative, approved by Decree-Law no. 48/2011, of May 1, has full effects with the existence of the Entrepreneur's Desk, under the responsibility of the Agency for Administrative Modernization - AMA, under the Government's responsibility. The "Entrepreneur Desk" (Balcão do Empreendedor) is already in operation, under the direction of the Company Site (Portal da Empresa), the "Entrepreneur Desk" (Balcão do Empreendedor) and this is the only access point for individuals in everything that respects the "Zero Licensing" (Licenciamento Zero)
ALVARÁ LICENSE REQUEST FOR CONSTRUCTION WORKS

• When the works are necessary, they can only be executed with the respective license of the city council.
  
  For the application for a license for a building permit, it is necessary to pay municipal taxes and to deliver all the necessary elements:

• Identification of the builder with the respective permit

• Director of work and respective identification

• Builders' insurance, civil liability and work accidents

• Director of Construction Supervision

• Health and safety plan

• Book of Work with opening term

• Proof of payment of construction fees
In order to apply for a usage permit, it is necessary to present the documents proving the execution of the work as planned and comply with all legal requirements for this purpose. The documents required to be delivered in the application for a license are, among others:

- Book of work completed and with closing date signed by the owner of work, director of work and director of supervision.
- Term of responsibility of the construction manager.
- Term of responsibility of the supervisor of the work.
- Final screens of the architectural project.
- Certification of ited or term of responsibility of the installer in the case of a rehabilitation
- Certiel (Certiel) or term of responsibility of the installer in the case of a rehabilitation
- Acoustic evaluation if not exempt through acoustic study.
- Documents proving the acquisition of solid urban waste containers and payment of the respective fees.
- Documents proving the payment of water and sanitation fees. Director of work and respective identification.
Horizontal property

WHAT IS HORIZONTAL PROPERTY?

It is said that a building is constituted in HORIZONTAL PROPERTY, when it is divided into autonomous units, namely apartments or floors and garages, since they registered separately, having to own exit for a common part of the building or for the public highway. Thus, a simple parking space designated as such on the ground with boundary features does not constitute an autonomous fraction, although its use may be reserved for an autonomous fraction.
WHEN DOES THE CONDOMINIUM EXIST?

If the various apartments that constitute a building belong to different owners, then talk about CONDOMINIUM.

WHO ARE THE CONDOMINIUMS?

CONDOMINIUMS are persons who, regardless of whether or not they live in the building, are both owners of one or more fractions and owners of the common parts.
WHAT IS THE TITLE CONSTITUTING HORIZONTAL PROPERTY?

It is the notarial deed that instituted the building in horizontal property, that is, that divided it into autonomous units as independent units and common parts.

This document gives us very important information, such as:

- Composition of each apartment ('autonomous unit');

- Relative value of each fraction in relation to the total value of the building, in percentage or in “permilagem”. This indication is very important in order to be able to calculate how much each joint owner has to pay of the common expenses, as will be seen later.

- The purpose for which each fraction (housing, commerce, industry, etc.) or common part is destined.
The constitutive title may also mention other elements such as:

- Regulation of the condominium, consisting of several rules on the use and conservation of both the common parts of the building and the fractions;
- Prediction of recourse to an arbitration agreement to resolve issues between joint owners or between the administration and one or more joint owners, instead of resorting to judicial tribunals.
HOW TO OBTAIN THE INCORPORATION DEED (TÍTULO CONSTITUTIVO)?

Just go to the Land Registry Office of the building area and ask for a certificate of it.

[...] buildings, are regulated by an incorporation certificate ("título constitutivo") to be produced by the holder of the license or [...]
Sale & Purchase of Real Estate

Reservation → Promissory agreement → Final deed
Prior notes:

- The reservation agreement is not foreseen in the Portuguese Law and it is normally done to have the certainty that both parties have the serious intention to sell and buy.

- The reservation agreement should, whenever possible, foresee the terms of the promissory sale and purchase agreement (in case this agreement is signed before the final deed);
Sale & Purchase of Real Estate

Prior notes:

• It is not mandatory to enter into a promissory sale and purchase agreement. The promissory sale and purchase agreement is normally done if the conditions to execute the final deed are not yet fulfilled, namely if the acquisition refers to a unit in construction;

• In this case, we advise our clients to request: (i) a bank guarantee of the deposit made as down payment and (ii) to agree, in the promissory agreement, that the reinforcements of the down payment should be done according with the development of the construction.
Portugal

Sale & Purchase of Real Estate

Documents that need to be analysed:

- Utilization license
  
  i. If the utilization license is registered in the Land Register Certificate ("certidão predial") it will be not necessary to have it;
  
  ii. Constructions performed before 7 August 1951 are exempted from the utilization license (please note that if there is any amendment after this date, the amendment needs to be legalized).

- Land Register Certificate (valid for a period of 6 months);
- Tax Property Certificate;
- Energy Certificate;
- Technical Residential Information ("ficha técnica de habitação") – only for constructions performed after 30 March 2004.
Portugal

Sale & Purchase of Real Estate

In case the property is an apartment, it is advisable to also ask for:

- Condominium rules;
- Last minute of the Condominium Assembly;
- Document attesting the payment of the last Condominium fee.

In case the property is a village, it is advisable to:

- Confirm that the utilization license issued covers all the areas and there are no illegal areas that need to be legalized.
Portugal

Sale & Purchase of Real Estate

In case the property is an apartment/villa located in a tourism development, it will be necessary to have also the following documents in place:

i. Constitutive title and administration rules of the development registered in the Land Register Office;

ii. Deposit of bond in the Tourism of Portugal in favor of the owners of the development. The amount of the bond corresponds to the value of the annual periodical fees paid by the owners of the development.

iii. Value of the periodical fee of the first year;

iv. Exploitation agreement.
Portugal

Sale & Purchase of Real Estate

Some additional notes:

• It is also necessary to verify if there are no preference rights (namely the Municipality where the property is located and Direção-Geral do Património Cultural);

• The clients need to have a valid Portuguese taxpayer number to buy a property in Portugal;

• If the clients are buying through a foreign company and do not intend to open any branch in Portugal, it is always required to ask for a number of equivalent legal person (“número de pessoa coletiva equiparada”).

Portugal

Sales market
Portugal

<table>
<thead>
<tr>
<th>Nacionalidade</th>
<th>1.º trimestre 2016 (estimativas)</th>
<th>2014 (dados oficiais)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Francesa</td>
<td>26%</td>
<td>16%</td>
</tr>
<tr>
<td>Britânica</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Chinesa</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td>Brasileira</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Belga</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Suiça</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Alemã</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Russa</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Holandesã</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Ucraniana</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Sueca</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Irlandesa</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Espanhola</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Angolana</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Italiana</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Outros</td>
<td>7%</td>
<td>12%</td>
</tr>
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</table>

**Os países onde a carga fiscal é maior:**

<table>
<thead>
<tr>
<th>Ranking</th>
<th>País</th>
<th>% do PIB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1º</td>
<td>França</td>
<td>47,9%</td>
</tr>
<tr>
<td>2º</td>
<td>Dinamarca</td>
<td>47,6%</td>
</tr>
<tr>
<td>3º</td>
<td>Bélgica</td>
<td>47,5%</td>
</tr>
<tr>
<td>4º</td>
<td>Áustria</td>
<td>44,4%</td>
</tr>
<tr>
<td>5º</td>
<td>Suécia</td>
<td>44,2%</td>
</tr>
</tbody>
</table>

**Os países onde a carga fiscal é menor:**

<table>
<thead>
<tr>
<th>Ranking</th>
<th>País</th>
<th>% do PIB</th>
</tr>
</thead>
<tbody>
<tr>
<td>28º</td>
<td>Irlanda</td>
<td>24,4%</td>
</tr>
<tr>
<td>27º</td>
<td>Romênia</td>
<td>28%</td>
</tr>
<tr>
<td>26º</td>
<td>Bulgária</td>
<td>29%</td>
</tr>
<tr>
<td>25º</td>
<td>Lituânia</td>
<td>29,4%</td>
</tr>
<tr>
<td>24º</td>
<td>Letónia</td>
<td>29,5%</td>
</tr>
<tr>
<td>15º</td>
<td>Portugal</td>
<td>37%</td>
</tr>
<tr>
<td>UE28</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Zona Euro</td>
<td>41,4%</td>
<td></td>
</tr>
</tbody>
</table>
It is necessary that the property is included in an area defined as rehabilitation area (in Portugal, such areas are defined by the municipal assembly by proposal of the Municipality) or that the construction has been concluded for, at least, 30 years and the works are justified.
Possibility of non application of the legal rules in place:

Reconstruction and Amendment

It is possible not to apply the rules in force at the moment if:

i. The works do not trigger or aggravate the non-conformity with the rules in place;

ii. The desired works allow for better security conditions;

iii. The foreseen rules are suitable for guarantee the security of the building
Urban rehabilitation

Possibility of non application of the legal rules in place:

Expansion works

It is also possible not to apply the rules in force at the moment if (i) the works will allow a better security in terms of construction and structure (ii) the rules foreseen are suitable to the security of the building and (iii) accomplishing with the rules in place would trigger a disproportionate burden.
Portugal

- Sales market;  Urban rehabilitation;  Tax framework

Two sets of tax benefits for urban rehabilitation

<table>
<thead>
<tr>
<th>Article 45.º of the Tax Benefits' Statute</th>
<th>Article 71.º of the Tax Benefits' Statute</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-years' Property Tax (IMI) exemption</td>
<td>10-years' Property Tax (IMI) exemption</td>
</tr>
<tr>
<td>Property Transfer Tax (IMT) exemption</td>
<td>Property Transfer Tax (IMT) exemption for those who buy from the renovator for their permanent residence</td>
</tr>
<tr>
<td>provided the buyer starts the works within 3 years of the purchase</td>
<td>5% PIT flat rate for capital gains obtained by individuals who renovate and sell</td>
</tr>
<tr>
<td></td>
<td>5% PIT flat rate on rents arising from renovated properties</td>
</tr>
</tbody>
</table>

In place until 2019  In place until 2020

➢ The first set of benefits implies the prior payment of IMT.
Portugal

Sales market

Year 2016

The real estate market in Portugal grew by 50% in the last two years, showing a positive dynamic in 2016 with a 20% to 25% increase in family housing transactions, the industry association announced today.

According to estimates by the study office of the Association of Real Estate Agents and Real Estate Agents of Portugal (APEMIP), the growth of all real estate transactions in the country (urban, rustic and mixed) stood between 20% and 25% in 2016.

APEMIP estimates that in 2017 the Portuguese real estate market will see growth of around 30%. (Source newspaper Diário Imobiliario)
Housing price rises 7.5% in Portugal only during fourth quarter of 2016

The price of houses in Portugal increased by 7.5% during the fourth quarter of 2016, standing at 1,351 euros / m2, according to the price index of the “Económico” newspaper. The highest increase occurred in the Lisbon region where houses were 12.1% more expensive (1,779 euros / m2), followed by Greater Porto, with an increase of 5.3% and then by the Algarve with a valuation of 3.2%. On the other hand, in the Center the houses are now 4.1% cheaper and in the Alentejo they cost 3.3% less.
The price of the square meter in Lisbon has increased, in some cases, more than 37% in the last three years.

With the most active real estate market, especially in large urban areas, there is another nuance that can be seen - house prices in Lisbon are up to three times higher than in the surrounding cities. The average price per square meter in the city of Lisbon was at the end of last year of **3404** euros, which means that it is difficult to find a house of only one hundred square meters - a T3, for example - for less than 300 thousand euros. In Barreiro, by contrast, the square meter is 884 euros and 879 euros in Montijo. Closer only in Cascais, where the values rise to 2293 euros per square meter. In Sintra, the average is 1219 euros and in Oeiras € 1865 per square meter, making the outskirts of Lisbon more attractive for those who want to buy a house, according to data provided by Confidencial Imobiliário to Dinheiro Vivo.
Portugal

Mapa do município de Lisboa

Valores Médios de Mercado - Arrendamento

<table>
<thead>
<tr>
<th>TipoLogia</th>
<th>Tipologia T1</th>
<th>Tipologia T2</th>
<th>Tipologia T3</th>
</tr>
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<tbody>
<tr>
<td>V.R. Bruto</td>
<td>V.R. Bruto</td>
<td>V.R. Bruto</td>
<td>V.R. Bruto</td>
</tr>
<tr>
<td>€ 6.00</td>
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<td>€ 5.50</td>
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Fonte: ATIMF

Casa para arrendar desapareceu de Lisboa e Porto

O número de casas disponíveis para arrendar nas duas maiores cidades do país caiu a superar 80% em Lisboa e 70% em Porto. De acordo com as declarações do portal Casas Lapa, a quantidade de 70% em Lisboa e de 80% no Porto. No último trimestre, a queda foi de 90%.

Apartamentos disponíveis em Lisboa

Apartamentos disponíveis no Porto

Legenda:
- 80% - 90%
- 70% - 80%
- 60% - 70%
- 50% - 60%
- 40% - 50%
- 30% - 40%
- 20% - 30%
- 10% - 20%
- 0% - 10%
- N.D.

Margem sul mais económico

Quem quiser poupar na casa e no transporte, deve residir nos municípios de Massa ou do Bairro.
**Portugal**

Sales market;

Even within the city of Lisbon the values vary a lot.

The most expensive parish (Freguesia) is Santo António, which involves Avenida da Liberdade and Príncipe Real, where the square meter rises to **5254** euros. In Santa Maria Maior, Avenidas Novas and Freguesia da Misericórdia, you pay more than **4000** euros per square meter. Within Lisbon, the cheapest area is Santa Clara. In the parish that replaced the old parishes of Charneca and Ameixoeira the values practiced are **1531** euros per square meter. Marvila and Beato are the two other zones of Lisbon where the values are below **2000** euros per square meter, the rest practice prices much higher. (A study by Jones Lang LaSalle Portugal)
Portugal

Sales market;

Portuguese Prime Minister António Costa announced that the city policy, housing and recovery of the activity of companies in the sector are priorities for 2017. This disclosure is creating expectations for the sector and in the opinion of Reis Campos, president of CPCI - Confederation of Portuguese Construction and Real Estate, allow us to face the immediate future with greater optimism.

According to Reis Campos there are more than 1.5 million houses needing works, 465 thousand families living in overcrowded housing and a social housing for every 16 Portuguese at risk of poverty. Programs such as the "Casa Eficiente", promoted by the Minister of the Environment and having as aggregator CPCI, are a good example of what should be done, with the aim of extending Urban Rehabilitation throughout the country. "This is the moment to realize the measures that have long been identified and to make of the cities instruments of competition on a global scale," he explains. (by Diário Económico)
Although prime yields may be slightly depressed, the return expectation should be derived more from the increase in revenue than from the appreciation of real estate, contrary to what has happened in recent years.

It is likely that this year will exceed the total amount of investment reached in 2016, and it is even likely that the observed volumes in 2015 will reach around 2 billion euros.
Portugal

Sales market; Real Estate Market Trends for 2017

Tourism will continue to maintain a growth rate above supply, with a consequent improvement in hotel performance indicators. It is expected to open about 20 new hotels, mostly in Lisbon and the entry of new international brands, which will attract more investment for this sector.

The office market will remain constrained by supply shortages, just as in the previous year, but start-up of building projects is expected. This reduced availability of spaces, namely of quality, will press increases in prime incomes, in the order of 5%.

Also in the street trade, prime rents are expected to increase by more than 10% in some areas such as Chiado, in Lisbon, and Santa Catarina, in Oporto, due to tourism growth and supply shortages. By 2017, the last two largest commercial cents in the country should be inaugurated and the expansion and remodeling of others is expected. The current residual availability in the prime shopping centers will induce further increases in rents in 2017.
Sales market; Real Estate Market Trends for 2017

In 2017 the residential supply will remain little varied and small compared to demand. It is planned to start at least one of the big root development projects planned for Lisbon and most probably with a product more suitable to the local market. Foreign investors will remain very active and a slight rise in the prices of the prime rehab product is expected to rise as supply becomes scarce.

Lisbon: 4 parishes concentrate 42% of new real estate projects
Portugal

Sales market;

House prices will continue to rise until 2021

There is less and less supply of houses to sell in Portugal - as opposed to demand, which continues to grow. This discrepancy between supply and demand naturally leads to a rise in prices.

According to the latest Portuguese Housing Market Survey (PHMS), a monthly survey produced by RICS and Confidencial Imobiliário (CI) for October, the market for home buying and selling continued to grow in the three regions analyzed (Lisbon, Porto and Algarve), at the same time as there was a new break in the houses that enter the market for sale.
Portugal

Sales market;

House prices will continue to rise until 2021

This is the third month in which the volume of offers that hit the market falls, the report reveals. This difference in the pace of demand and supply has been reflected mainly in prices (which continue to increase), as it is not yet affecting sales. In fact, the number of transactions continued to grow this month, in what was the sharpest increase since September 2015.

In terms of expectations, sales are still expected to increase in the short term and prices follow a route of growth both in the short and long term. In the next 12 months, they are even anticipating the possibility of a high price rise in Lisbon, with prices expected to grow at around 4% per year over the next five years at the national level.
Portugal

Sales market;

Lisbon has more than 3,000 buildings

According to information from the Lisbon town hall send to Sol newspaper, in the third quarter of this year 55,400 buildings were accounted for. Of these, 7% "are totally free". That is, there are 3878 properties in these conditions or at least they are not inhabited. For the CML, 'classification' does not, however, mean a poor state of conservation. It may even mean rehabilitated houses and new constructions, but they are on the market without use. “

The number is high - if we consider that 20 people could live in each building (this will still be an estimate from below) - we counted a total of 77,520 possible residents of these houses.
Portugal

Sales market;

Lisbon has more than 3,000 buildings

An investment of 75 million euros was approved for the rehabilitation of the housing stock of the chamber in a project to be carried out until 2020. "These investments involve works in 26 neighborhoods," said the same source.

To seduce the owners to rehabilitate the heritage the CML has, since 2014, a program called RE9 with several measures of support. Initiatives range from 'exemption from the collection of IMT and municipal taxes', to 'reduction of VAT on labor and materials', and 'exemption from IMI'. There are also "other tax benefits in terms of IRS, IRC and reduction on capital gains".
Portugal

Sales market;

Classic rental is disappearing from the city center

The phenomenon is not unique in Lisbon - also affects Porto. Increasingly prices vary depending on the tourist offer.
Classic rental is disappearing from the city center

The trend has already been clearly identified by market players - renting a house in the center of Lisbon is becoming more complicated, a trend that worsens if we are talking about young people, generally with a lower purchasing power. Several factors contribute to this, but there is one in particular that is gaining a huge weight - the so-called local accommodation, the short-term rental to tourists.
Classic rental is disappearing from the city center

The profitability of short-term accommodation to tourists is so compensatory, compared to traditional housing, that those who work in the field say that there are companies to rent spaces in the central districts of Lisbon for values above the market price and then sub-lease them. Which means that the business is nonetheless rewarding. "The market has turned around quite a bit. Since the middle of last year, values have skyrocketed," says Saida Morais from Remax.
Lisbon increasingly attractive to invest in real estate

The high rates of return that the capital offers convince foreign funds. Lisbon was the seventh favorite city of European investors to bet on real estate, according to a study released by consultancy Deloitte, which looked at real estate trends in 2016.

The market is buoyed by the high return that Lisbon offers. "The areas of the city are near the top of Europe, with 5% up to 10% rates of return." In less common areas, there is more room to grow and add value, "the report stresses."
Portugal

Sales market;

Lisbon increasingly attractive to invest in real estate
Portugal

Sales market;

**Lisbon increasingly attractive to invest in real estate**

**BUILDINGS WHICH ARE HIGH (OR NOT)**

In addition to combining the attractiveness of the 30 major cities in Europe, the study draws trends with regard to the type of real estate to be invested or not.

And definitely on the rise are student residences, assisted living for seniors, private hospitals / clinics, and hotels. 61% of respondents identified student residences as a good capital investment alternative in 2017 and 51% hotels. A trend in which Lisbon is already starting to score points, as underlined by the head of the Deloitte, along with Spain and the countries of Northern Europe.

On the downside are the assets located on the periphery, whether these business parks or shopping centers.
Thank you all for your attention, I hope to see you again soon.

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