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PROPERTY.COM



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CONTENTS

Who are IRG Property?	4-5
How do we work?	6-7
Property market review	10-11

Area Spotlight

Golden Triangle	14-15
Central Algarve	16-17

Property Portfolio.....	20-31
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BUYERS GUIDES

The buying process	36-37
Property buying costs	38-39
Private Vs. Company	40-41
Notable Property Taxes.....	44-47
Non Habitual Residency	48-49
The Golden Visa	50-51
Mortgages in Portugal.....	54-55
Property Management.....	58-59
Property Running Costs.....	60-61

Contact Us.....	62
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IRG Property was founded to bring a new level of international experience to those purchasing property in Portugal.

Evolving over the years into a multi functional real estate company offering a full array of property services to help both those experienced in buying property as well as first timers looking for a simple and transparent approach to real estate.

WHO ARE - IRG PROPERTY ?

OUR OBJECTIVES ARE SIMPLE

To fulfil your property requirements as closely as possible providing unbiased help throughout the purchase process and beyond including:

Financial Advice Mortgage and Taxation
Provided free of charge in-house

Property Management and Rentals Services

Interior design - Custom design, or full rental packages

Legal and Contractual advice

Property viewings in a stress-free environment.
Consisting of not just countless properties but the areas as well, especially important for retirement or a permanent move.

Sales consultants who understand the buying process and the time involved in making such a commitment, who will offer specialist advice whilst maintaining a non-pressurised environment to build a relationship with during your search, no matter how long it takes.

Our services are available at no cost, offered to anyone, whether you have a plan spanning the next few years or are planning on buying immediately, the sooner we know what you need, the sooner we can start working to help you.



“As well as a good local knowledge there must be a deep love for the country and the area”

HOW DO WE WORK

As you would expect from an estate agent, we sell properties! The key to our service, and perhaps our success, is we only sell the property that you, the customer, want to buy, not something that we want to sell, believe us when we say there is a difference.

Our strict criteria are paramount to our business, as the properties we choose to sell are only of the highest quality whether they be for investment purposes or a detached villa for you and your family to enjoy, or even live in. The reason behind this is simple; we will not sell anything that we do not feel comfortable selling again when our customers wish to move on or upgrade.

The experience of the staff we employ is also a vital and integral part of the company mould, we firmly believe in quality over quantity. As well as a good local knowledge there must be a deep love for the country and the area, which ensures that all customers can be embraced in the area of choice rather than just have doors opened and closed for them. We feel this is a crucial part of the search for the “perfect” property and will not now, or ever, compromise on this.

Our general experience over the last few decades has been that to ensure your time and ours is not wasted, several in-depth discussions before your arrival are vital.

During the few weeks until your trip out here, an exchange of various properties via the internet, emails etc.. Can help narrow down your search. Or just give you an idea about what you can get for your money.

Once you have arrived our representative will have a portfolio of properties already lined up to show you. Based on the brief already detailed before you arrived. Of course, this will often change once the viewings begin and this is where the importance of dealing with an experienced company shines through.

The representative needs to have a face to face chat with you about your dreams, wishes and crucially finances. These are all outside factors that can change the line up of property viewings, and might bring something else to the representative’s mind that would be ideal for you! Remember we will be open and honest about the whole process, we ask the same in return.

If we’ve done our jobs correctly the next few hours will be spent showing you a selection of property that you love! Or at least short-listing a few areas for you.

And, from there we start our relationship until you find your perfect home in the Algarve.

Of course, all the related financial advice and legalities will be provided when requested by you when you get to the point of moving forward with a property.

The key thing to finding a property here is to relax, enjoy it and most of all have fun. Oh, and of course making some money from your investment can be quite important also.



PROPERTY MARKET REVIEW

PROPERTY MARKET REVIEW



The Algarve property market continues to be one of the safest and secure in the world. With a continued high demand coupled with low supply, the region has been offering a wonderful environment for property investors from all over the world over the last few years.

One of the key driving factors in the Algarve’s prominence in the European (and worldwide to some degree) market has been an influx of investors and buyers from France, Sweden, Germany and the USA.

This shift in demographics, at least in the Golden Triangle resort region, from primarily UK buyers, has created a more diverse marketplace. With any property, market diversity tends to lead to longevity and as we’ve always had a strong real estate market in the Algarve it’s a distinctly positive trend, one that is set to continue for the foreseeable future.

PROPERTY PRICES PER REGION IN 2019

AREA	PRICE M2 DEC 2019	VARIATION MONTHLY	VARIATION PER QUARTER	VARIATION ANNUAL	HIGHEST HISTORICAL M2
Almancil	€2,892	+0.8%	-2.4%	+11.5%	€2,962 Sept 2019
Quinta do Lago Pinheiros Alto	€5,333	+8.9%	+16.7%	+71.8%	€5,333 Dec 2019
Vale do Garrao Varandas do Lago Quinta da Salinas	€3,885	-5.1%	-5.4%	+11.1%	€4,182 Oct 2019
Vale do Lobo	€4,590	+3.1%	+3.4%	+7.7%	€4,665 Aug 2019
Loule Sao Clemente	€1,746	-0.3%	-0.6%	+1.9%	€2,502 Jan 2018
Quarteira	€2,600	+1.7%	+1.0%	+7.1%	€2,600 Dec 2019
Vilamoura	€3,113	+0.7%	+4.2%	+9.1%	€3,112 Dec 2019
Carvoeiro	€2,504	-0.5%	0.0%	+12.5%	€2,588 Oct 2019

Several fiscal incentives have helped put Portugal firmly in the minds of property investors, with the Non-Habitual Residency and Golden Visa schemes, there’s an added incentive for buyers to look at Portugal.

Although the Golden Visa hasn’t had a huge impact in the Algarve, the NHR has certainly added a level of investment appeal to foreigners.

The high-end luxury market has held its value well, as it tends to do so, and Quinta do Lago, Vale do Lobo and the regions within have all been as popular as ever, with prices holding firmly and increasing at a steady rate year on year.

What this means for new buyers is security in investment, a potential steady appreciation in property price and an exceptional resale exit strategy when the time comes.



AREA SPOTLIGHT

THE GOLDEN TRIANGLE - CENTRAL ALGARVE

WHY - THE GOLDEN TRIANGLE



The Golden Triangle lays home to the most luxurious properties in Portugal, with a stunning mix of modern architectural wonders and sprawling traditional Portuguese Quintas.

Property owners here enjoy a degree of privacy, manicured gardens and a multitude of leisure activities, along with stunning Blue Flag beaches and fine cuisine.

Property prices vary greatly here and tend to have no upper limit in the most exclusive area's.

Options are aplenty, those looking for a "resort" theme tend to gravitate to the many in Quinta do Lago, Vale do Lobo & Dunas Douradas, perfect holiday homes with bespoke services for owners.

Other's looking for more value for money, or fewer restrictions favour area's such as Varandas do Lago or Vilamoura.

Whatever area you prefer in this region, is an excellent property investment, with great resale potential and the choice of lucrative short term rental's when you're not using your home.

QUINTA DO LAGO HIGHLIGHTS
5 Golf Courses - 2 Golf Academies - Mini Golf
Beach and water sports lake - 16 restaurants & bars -
Boutique Shopping center - Two 5* Hotels

Price Guide
Apartments - €200,000 - €3,500,000
Townhouses - €300,000 - €1,500,000
Villas - €2,000,000 - €20,000,000

VALE DO LOBO HIGHLIGHTS
2 Golf Courses & Golf Academy - One of Europes
Largest Luxury resorts - 24 Hours reception - Blue flag
beach - 15 restaurants bars

Price Guide
Apartments - €200,000 - €3,500,000
Townhouses - €300,000 - €1,500,000
Villas - €2,000,000 - €20,000,000

NOTABLE AREAS

Quinta do Lago
Vale do Lobo
Dunas Douradas

Varandas do Lago
Pinheiros Altos
Quinta da Salinas
Vale Garrao
Vilas Alvas

Vilamoura
Vila Sol



WHY - THE CENTRAL ALGARVE

The Central Algarve has long been a favourite for travellers visiting the Algarve.

With it's stunning coastline, offering around 20 different Blue Flag beaches, some of the best Hotels in the country and a wealth of different holiday "styles" to suit all parties.

From the bustling night-life of the Albufeira strip, the sophisticated banks of the Vilamoura marina and into the Portuguese city of Loule for a more authentic taste of all that the Algarve has to offer.

Key to this area is tourism, as such the property is highly sought after, with excellent amenities and a short travelling time from the airport.

With such demand properties in the Central Algarve command strong rental rates and are always popular. With a strong resale market and an excellent choice of locations it's an area that we highly suggest focussing on, for both the life style as well as the exceptional investment security.

CENTRAL ALGARVE HIGHLIGHTS

20 Golf Courses - 200 Restaurants & Bars - Some of the best beaches in Europe - Large choice of property style on offer - High rental potential

Price Guide

Apartments - €120,000 - €1,000,000
Townhouses - €200,000 - €1,000,000
Villas - €400,000 - €2,500,000

NOTABLE AREAS

Almancil
Albufeira
Loule
Quarteira
Santa Barbara de Nexe
Sao Bras de Alportel
Carvoeiro



PROPERTY PORTFOLIO

A SELECTION OF PROPERTIES IN OUR PORTFOLIO



STUNNING CONTEMPORARY NEW BUILD VILLA

Beautifully designed contemporary villa set in heart of Vale do Lobo, offering fabulous panoramic views from each floor extending even along the coast from the impressive rooftop entertaining area, complete with jacuzzi, liquid fire pit and bar.

A high level of quality construction throughout, incorporating floor to ceiling, top of the line patio doors with UV light protection that opens fully by sliding into the wall giving a seamless inside to outside flow. A low maintenance garden frames a welcoming 20m x 7m heated infinity pool, with cascading water feature and ample decking area for sun worshippers.

Designed by the owner in conjunction with award-winning architect Vasco Vieira to create the very latest in modern architecture whilst remaining a comfortable home. The clever design offers an intelligent flow immediately obvious on entering the villa as the kitchen naturally extends to the dining area, which in turn looks out over the infinity pool to the coastline, and also opens directly on to an attractive BBQ area.

More than simply a quality design, this property offers the potential to create a personal space specific to your preferences and requirements. Just requiring the addition of your own imagination and personality to complete this perfect home in the heart of one of the most exclusive resorts in Europe.



BEDROOMS: 4+
BATHROOMS: 8

LIVING AREA: 735m2
PLOT SIZE: 1,629m2

REF: 1984
ENERGY RATING: A

PRICE: €5,500,000
OWNERSHIP: Portuguese Company



TRANQUIL PROPERTY IN AN IDYLIC LOCATION

A truly unique property set amongst fabulous roaming grounds just a short drive to the popular town of Loule.

The main villa consists of 2 bedrooms an office, with a small terrace, large open living and dining room, fully equipped kitchen and covered terraces.

The second property is split into 2 separate apartments, the ground floor has 2 bedrooms a living room with a fully equipped kitchen and a good sized terrace area. The 2nd apartment, reached via external stairs, has a one bedroom a kitchenette, bathroom, living area and a lovely large terrace with BBQ.

The grounds the properties sit within are truly unique, with various annexes for massage therapy, art studio work, additional accommodation even wedding ceremonies. Scattered through the fully irrigated grounds are various seating areas, that offer some respite from the Algarve sun, nestled under mature tree's or on character decking area's looking across the countryside, this is a truly unique experience.

An additional building is used as a hair salon, with a small kitchen, main salon area plus 2 further rooms and a small kitchen area, this could, of course, be converted into further accommodation if preferred.

A fabulous property in immaculate condition, a wonderful opportunity for a "turn key ready" B&B.



BEDROOMS: 5
BATHROOMS: 6

LIVING AREA: 290m2
PLOT SIZE: 1ha

REF: 2018
ENERGY RATING: C

PRICE: €1,290,000
OWNERSHIP: Private



MAJESTIC VILLA IN QUINTA DO LAGO

Decadent villa in the heart of Quinta do Lago, ideally located for those wishing to enjoy the beautiful settings and surroundings of the area.

Take a stroll to the Lake and enjoy a cocktail at the Shack whilst the kids take a pedalo out for a spin on the water.

The villa has a large calçada driveway, leading to either the garage or around to the front of the house where there are ample parking spaces. Entering the property the open living area boasts an impressive full height ceiling with two seating area's, fireplace and is the focal point of the house. From here you can find a large comfortable snug overlooking the swimming pool and gardens, lead onto the dropped level dining area and custom designer kitchen area. On the opposite side is the master suite, and office.

Upstairs there are two further suites both with their own private terrace area that looks across to the garden and the pool area below.

Downstairs the basement offers access to the large garage space, a small wine cellar area, cinema room and laundry area.

A delightful house in a wonderful location, perfect for those looking for a home from home, or indeed a full-time residence.



BEDROOMS: 4
BATHROOMS: 5

LIVING AREA: 600m²
PLOT SIZE: 2,050m²

REF: 2181
ENERGY RATING: C

PRICE: €4,200,000
OWNERSHIP: Delaware Company



CLASSICAL BEAUTY WITH GREAT SEA VIEWS

Ideally located family villa with fabulous sea views, situated in the exclusive Vale do Lobo resort, in the heart of the Golden Triangle.

The property offers an impressive entry, via electric gates with ample parking and an imposing double height entrance hall with decorative brickwork ceiling. The living area looks out across the swimming pool, with an enclosed (sound proof) office, a raised area which houses the piano presently, leading to the dining area with fantastic ceiling art. The fully equipped modern kitchen is to the rear, with a pantry area off to the rear.

There are two suites on the ground floor, along with a cloakroom. Upstairs is a further suite along with a stunning double master with extra living space, or a 5th bedroom. Both have access to a large terrace with stunning sea views.

BEDROOMS: 4
BATHROOMS: 6

LIVING AREA: 628m²
PLOT SIZE: 2,173m²

REF: 2015
ENERGY RATING: C

PRICE: €4,475,000
OWNERSHIP: Portuguese Company

DELIGHTFUL VILLA IN PARQUE ATLANTICO

Stunning located Atlantico villa, with some superb sea views and generous adopted land. This five bedroom villa overlooks the Ria Formosa nature reserve while sitting nestled within a mature landscaped garden.

A spacious lounge with feature fireplace opens out onto a luxury covered terrace overlooking the pool. The formal dining room links through to a large fully fitted kitchen with breakfast area.

The accommodation of the property is well designed, with all bedrooms being en-suite 3 ground floor room, along with the master suite and one additional guest room on the first floor.

The property boasts some wonderful exterior areas, both dining and lounging along with a large heated swimming pool and further mature gardens.

BEDROOMS: 5
BATHROOMS: 5

LIVING AREA: 366m²
PLOT SIZE: 1,820m²

REF: 2144
ENERGY RATING: D

PRICE: POA
OWNERSHIP: Maltese Company



This classically finished villa in the ever popular and highly desirable neighbourhood of Vale Formoso offers something a little bit special.

With it's stunning swimming pool, idyllic views and quality finish throughout an excellent family home in a great location.

BEDS: 5 BATHS: 5
BUILD: 660m2 PLOT: 3,090m2
PRICE : €1,975,000
ENERGY: B-
REF: 1946



LUXURIOUS VILLA IN VALE FORMOSO



VILLA IN SANTA BARBARA WITH SEA VIEW

This delightful 4-bed villa is set on an elevated plot resulting in lovely views across the coastline from the front of the villa, patio area and pool!

Just a short drive to all the amenities one could wish for and the peace and quiet of a countryside retreat.

BED: 4 BATHS: 3
BUILD: 214m2 PLOT: 1,600m2
PRICE : €600,000
ENERGY: C
REF: 2231

A SELECTION OF THE FINEST COUNTRYSIDE VILLAS

This delightful villa offers a quiet location just a few minutes from the center of Loule, giving the best of both worlds!

Peace and quiet, with stunning views to the sea and surrounding countryside, with all the great amenities of Loule nearby.

BEDS: 4 BATHS: 4
BUILD: 345m2 PLOT: 8,871m2
PRICE : €849,000
ENERGY: D
REF: 2093



VILLA IN LOULE WITH SEA VIEW



VILLA IN LOULE WITH SEA VIEW

This tasteful and modern finished villa, just outside of Loule boasts lovely views across the countryside with the sea in the distance.

An electric gate leads into the driveway of this beautiful property, with gardens lining two paths to the house.

BEDS: 6 BATHS: 5
BUILD: 300m2 PLOT: 2,218m2
PRICE: €995,000
ENERGY: A
REF: 2009

Lovely 3 bedroom apartment with private, heated, swimming pool in the exclusive Vale do Lobo resort.

Just a short stroll to the tennis center and 10 minutes from the Vale do Lobo Club House the location of this property is perfect!



SPACIOUS APARTMENT IN VALE DO LOBO

BEDS: 3 BATHS: 2.5
BUILD: 270m2 PLOT: 456m2
PRICE: €565,000
ENERGY: D
REF: 2218



DUNAS DOURADAS LINKED VILLA

Perfect lock up and leave, with great private pool and patio area.

Just a short walk to the Dunas Douradas reception and Xenia restaurant and bar.

Ideal for holidays and a popular area for renters offering a lucrative income generating villa.

BEDS: 2 BATHS: 2
BUILD: 120m2 PLOT: 282m2
PRICE : €485,000
ENERGY: C
REF: 2226

A SELECTION OF QUALITY RESORT PROPERTY

This beautifully presented 5 bedroom villa is located in the secure development of Quinta Verde offering quality finishings complemented by tasteful interior design throughout.



SUPER VALUE IN QUINTA VERDE

BED: 5 BATHS: 5
BUILD: 354m2 PLOT: 1,525m2
PRICE : €1,725,000
ENERGY: B
REF: 752



ENCOSTA DO LAGO APARTMENT

Delightful top floor apartment in Encosta do Lago just a short stroll to the water sports Lake.

Lovely large swimming pool, tennis courts, gym, restaurant and reception all on this lovely site.

BEDs: 2 BATHS: 2
BUILD: 130m2
PRICE : €495,000
ENERGY: C
REF: 2091

SELL YOUR PROPERTY QUICKLY & EASILY WITH IRG PROPERTY

SELLING YOUR ALGARVE PROPERTY QUICKLY & HASSLE FREE

Our unrivalled experience in, not just, Algarve property sales, but international sales offers an insight into the sales and marketing process that few agents can offer. Along with our extensive marketing both online and via our broad network of partnerships throughout Portugal and Europe. Our goal is to put you in a position to achieve maximum exposure with minimal effort. Contact us today and we can have your property online and across the world in 48 hours or less!

The Algarve property market is an interesting and complicated one. For those that are inexperienced in property transactions here, it can be a slightly confusing process. A missing document, or a "forgotten" extra room built onto the property years ago can quite easily be the difference between selling your property, or having it sit on the market for years.

As the real estate market here in Portugal has picked up there's an endless loop of new estate agents opening and closing, why? Because to do this job properly, takes time and experience, to invest 6 months into a sale to have it collapse due to forgetting to check one piece of, seemingly non-important, paper can be quite disastrous to all parties involved!

Our commitment to you is to uphold the highest standards of professionalism whilst helping you make the best real estate decisions with your property in the Algarve.

WHAT SETS US APART FROM THE COMPETITION?

Through many thousands of sales, we have fine-tuned and honed a system that makes the selling process as easy, straightforward and painless for you. We walk each seller through the entire sales process step by step up to and including the final deeds and beyond. Our goal isn't to bring as many people to your property as possible, it's to ensure that every client we do bring to your property, is potentially the one that will buy it. Minimal hassle maximum results.

COMPREHENSIVE MARKETING & SALES STRATEGY

Whether you're selling an apartment, villa or sprawling luxury mansion in Quinta do Lago, the method is the same. The key to how quickly you sell the property, or indeed IF you sell the property, is the price. Everything else is secondary, at least to a point. Our approach is simple;

- Carry out an in-depth and thorough analysis of your property. Using comparable properties in the immediate vicinity including properties recently sold as well as those on the market to establish the value of your home in the current property climate

- Provide a recommendation on the price point for your property, based on our market assessment.

- Widespread publication of your property on the leading property portals worldwide as well as our compilation of websites.

- Networked throughout our expansive partnership's both locally and internationally offering the best and most diverse exposure possible for your property

- Print advertising in various local and UK based publications

Presentation of the property on online platforms, such as Rightmove, Zoopla, CasaSapo, Greenacres etc. is an important part of the sales process. Visually the property must be eye-catching and for that, you need a quality selection of photographs with a catchy description and for villas and larger properties, drone shots are now something anyone selling a property here in the Algarve should expect as the norm. Video presentations can also be a bonus to attracting potential buyers to your home, all of this we at IRG Property provide for our clients as standard.

THE BUYING PROCESS EXPLAINED

The buying process here in Portugal is fairly straight forward and offers an excellent level of protection towards those purchasing property here.

The following pages will explain in a little more details the basic premise of the purchase process, from the point of making an offer all the way through to the collection of the keys!





THE BUYING PROCESS

PRIVATE & COMPANY OWNED
PROPERTY TRANSFERS

MAKING AN OFFER - LETTER OF INTENT

Having found the property that you'd like to purchase and following your agent successfully carrying out the negotiations on your behalf a document, the letter of intent, will be drafted detailing the terms of the deal. Along with the price, this will also detail the date of exchange, amount of deposit to paid at the said exchange and the date of completion, along with any additional agreements, such as the inclusion of furniture for example. This will then be sent to the vendors for both parties to confirm their acceptance of the terms detailed.

At this point you will appoint a local lawyer to represent you throughout the purchase, we would recommend signing a Power of Attorney with your legal representative to avoid any unnecessary trips back to Portugal.

PROPERTY REPORT – PROMISSORY CONTRACT (EXCHANGE)

Once your lawyer has been appointed we will forward all the necessary paperwork regarding the property for them to analyse and send a report to you confirming all is in order with the property. I.e. all legal aspects of the house, outstanding financial issues, any irregularities will be reported at this stage.

Assuming all is order then the Promissory Contract (Contrato Promessa de Compra e Vendas) will be prepared, in both, Portuguese and your native language to be agreed.

The Promissory contract will detail the terms already set out and agreed with all the legal protections the law bestows upon property buyers in Portugal.

Once agreed by both parties the contract will be signed and the agreed-upon deposit paid over to the vendor (normally 10% and paid via your lawyer), it's worth noting that this is the point that the house is officially taken off the market and, by law, there can be no reneging of the contract. Should the vendor not fulfil their contractual obligations, the purchaser is entitled to double the deposit paid under Portuguese law. Likewise should the purchaser default on their end, the deposit will be forfeit.

THE FINAL DEED (ESCRITURA)

The final balance of funds should now be deposited with your lawyer (or the bank if financing is involved in Portugal), the property will now be registered in the land registry under your name and the relevant stamp duty and transfer taxes paid.

COMPLETION

Once the deed has been signed and all parties have settled their relevant taxes and expenses the property will be then be transferred into your name in the Land Registry (Registo Predial) and you are the official new owners of the property.



COMPANY OWNED PROPERTY TRANSFER

Many high-value properties, typically in Quinta do Lago and Vale do Lobo, were originally purchased in “Offshore” companies. The company would normally be set up under the jurisdiction of Delaware or Malta, among others, and would be used solely for the ownership of the property as the only asset, so the shares would hold the value rather than the property for purchase.

BUYING PROCESS - EXCHANGE OF CONTRACT

The process for purchasing a Company-owned property is the same as any other, with the same Letter of Intent preceding the legal process. However, in place of the Promissory Contract, a Share Transfer agreement will be prepared in its place. All the same rigorous due diligence will be carried out on the property, along with a search on the Company itself to ensure 100% safe title for the new owner.

COMPLETION

The completion, in this case, will be when the final payment is made complying with the Share transfer agreement and it is at this point that the property will become the new owners. As there is not a property transfer involved in this process, it is a fairly simple and quick process. Once the funds are paid, again via the lawyers, the management company will transfer the share ownership to the new owners.

BUYING COSTS

IMT - (Property transfer tax)

The bulk of your buying costs will be from the Portuguese property transfer tax - IMT - this will scale upwards to a maximum of 7.5% of the purchase price, as per the table shown on the following page. This is payable before the completion.

For company-owned properties, as there is not an actual “property transfer” there are no IMT taxes to pay.

LEGAL FEES

A reputable law firm will generally charge between 1% - 2% on the purchase value for their services, depending on the level of work required and the structure of the deal. For company-owned purchases, the costs are usually higher due to the extra work involved with the due diligence also on the holding company.

ADDITIONAL FEES

Stamp duty - 0.8% of the sale value (not applicable for Company transfers)

Public notary service - €250.00 approx.

Property registration - €250.00 approx.

Management Company Set up - €1,500.00 approx. (Companies only)

BUYING COSTS AT A GLANCE	COMPANIES	PRIVATE OWNED
IMT STAMP DUTY LEGAL FEE'S NOTARY PROPERTY/CO. REGISTRATION	N/A N/A 1-2% N/A €1,000.00	Up to 7.5% 0.8% of purchase price 1-2% €250.00 approx €250.00 approx

PRIVATE Vs COMPANY OWNERSHIP

THE BUYING PROCESS - BUYING COSTS

BENEFITS OF PRIVATE PURCHASE

Most people will be familiar with the process of buying a home in their names from an individual, with all the details indicated on the paperwork for everyone involved to see. It's comfortable and straightforward. Therefore it's more comfortable for a lot of buyers.

There is also no AIMI rates to pay if your property is under the value (the rateable value not the purchase price) of €600,000, or if jointly owned €1,200,000. Furthermore, there is no need for an Offshore management company to look after the company accounts annually, as well as a much simpler process should you wish to rent out your property.

Also, there is no worry about additional Capital Gains Tax to pay when reselling.

BENEFITS OF COMPANY PURCHASE

The first notable benefit with Company-owned purchases is the lack of any IMT or stamp duty to pay, which saves approx. 7% of the purchase price.

As you will be buying the shares of the company rather than the property itself (the property will be a sole asset of the company being purchased) the process is very straightforward without the need for any Notary, further deducting costs.

Many see this method of purchasing as an estate-planning exercise for inheritance purposes, with ownership being passed between spouses and/or children easily within the structure of the company.

There is also a degree of anonymity with this purchase method, although it is now a legal requirement that all beneficial owners be registered and declared, there is still a level of confidentiality.

Below is the table for the IMT (Property transfer tax) applicable for 2nd home purchases

SIMPLIFIED TABLE FOR IMT TAX - SECOND HOMES

PROPERTY PRICE	TAX %	AMOUNT TO CREDIT
Up to €92,407.00	1%	€0.00
€92,407.00 - €126,403.00	2%	€924.07
€126,403.00 - €172,348.00	5%	€4,716.22
€172,348.00 - €287,213.00	7%	€8,136.09
€287,213.00 - €550,836.00	8%	€11,035.30
€550,836.00 - €1,000,000.00	6%	-
€1,000,000 +	7.5%	-

PURCHASING COST EXAMPLE

PURCHASE PRICE	OWNERSHIP			
	COMPANY		PRIVATE	
	€500,000.00		€1,000,000.00	
IMT	N/A	€29,000	N/A	€60,000
LEGAL FEES @ 1.5%	€7,500.00	€7,500.00	€15,00.000	€30,000.00
STAMP DUTY @ 0.8%	N/A	€4,000.00	N/A	€8,000
NOTARY FEE	N/A	€250.00	N/A	€250.00
PROPERTY/CO. REGISTRATION	€1,000.00	€250.00	€1,000.00	€250.00
APPROXIMATE TOTAL COSTS	€8,500.00	€31,000.00	€16,000.00	€98,500.00

PROPERTY TAXES IN PORTUGAL

NOTABLE TAXES EXPLAINED



PORTUGAL PROPERTY TAX EXPLAINED

IMI & AIMI - Annual Property Tax

VPT (A properties Rateable value as set by the tax authorities) - is the basis from which the ongoing taxes for property owners are determined in Portugal. It can also be used to set the minimum cost for transactions where the purchase price is lower than the VPT.

Typically there is a discrepancy between the purchase price and the market value of the property and the corresponding VPT rate, generally, the VPT is lower, in some cases considerably lower. It does have no bearing however on the actual value of the property. The value set by the tax authorities should be updated periodically, however, this is quite often not done for many, many years. Owners can, however, request a re-evaluation, typically not many do this due to the resulting additional taxes which follow an increase in value.

The calculation for arriving at the VPT is quite complicated and almost impossible for a member of the public to calculate themselves. You can see their formula below for reference:

$$\text{VPT} = \text{VC} \times \text{A} \times \text{Ca} \times \text{CI} \times \text{Cq} \times \text{CV}, \text{ where:}$$

VPT = Rateable value set by tax authorities

VC = Value per built square meter, again set by local authorities

A = Gross area of construction – including terraces, garage, parking area, annexes etc.

Ca = Registered use of the property, namely residential or commercial

CI = Location – coefficient fixed every three years by the municipality and can vary between 0,4 and 3,5

Cq = Quality and comfort – Such things as swimming pool, elevator (or lack of in 3 story buildings)

CV = Age of the property. The newer the property the higher the coefficient

IMI - (Annual property tax)

Set by the VPT and the area in which your property is located. These rates vary from 0.3% - 0.5% for urban properties, whilst rustic properties are taxed at a higher rate of 0.8%.

For example;

A property with a VPT of €200,000 in Loule would cost -

$$€200,000.00 \times 0.3\% = €600.00 \text{ per year.}$$

AIMI (Additional Annual property tax)

This additional IMI tax was introduced back in 2016 and replaced the IS tax (known as the wealth tax) which taxed property owners 1% of the VPT value once it reached €1 million.

Although this tax does have some exclusions, it will apply to most home owners here. The exclude categories include: rustic land/properties as well as commercially registered property.

The AIMI is calculated based on the sum of the VPT value of all properties owned by the individual and charged as illustrated in the table below:

PRIVATELY OWNED PROPERTY		COMPANY OWNED PROPERTY
Value up to €600,000	No AIMI	0.4% of the total amount
Value between €600,000 - €1m	- 0.7%	
Value above €1m	- 1%	

Example (a) - An individual owning 2 properties with a total value of €550,000 has no AIMI to pay.

Example (b) - An individual with 3 properties with a total value of €990,000 will pay AIMI as per the table above :

$$(€990,000 - €600,000) \times 0.7\% = €2,730.00$$

Example (c) - An individual owning 3 properties with a total value of €2,000,000 will pay the following AIMI :

$$\begin{aligned} \text{Value above €1m} &= €1\text{m} \times 1\% = €10,000 \\ \text{Value Between (€600,000 - €1m)} &= €400,000 \times 0.7\% = €2,800.00 \end{aligned}$$

$$\text{Total AIMI payable} = €12,800.00$$

Example (d) - A Company owned property with a value of €2,000,000 will have AIMI to pay of:

$$€2,000,000 \times 0.4\% = €8,000.00$$

A fairly noticeable saving on privately owned property.

Example (e) - A company owned property with a value of €550,000 with have AIMI to pay of:

$$€550,000 \times 0.4\% = €2,200.00$$

A substantial increase in running costs apply at this price point.

PROPERTY TAX

INCOME TAX

Income tax is payable in Portugal on any profit made whilst renting out your property. The tax rate for non-residents is 28%. You may deduct running costs from this, which vary slightly depending on whether you rent out on a short or long term basis.

Should you rent short term, you may consider the “simplified” tax regime, which automatically deducts 65% of your income as expenses, leaving the remaining 35% to be taxed only.

INHERITANCE TAX

Portugal has no inheritance tax for immediate family, only stamp duty will be payable on any property being transferred, at 0.8%.

For any other cases, there is a 10.8% stamp duty fee to be paid.

CAPITAL GAINS TAX

Any profit made when you sell your property, whether it be owned Privately or via a Company will be subject to Capital Gains Tax. The tax is simply calculated on the difference between the price you paid for the property and the price you sold for. There are of course various factors taken into account when calculating the CGT, however, we won’t go into those here.

The tax rate for non-residents is 28% and 25% for companies. From this figure various items can be discounted from your liability;

Refurbishments & Improvements carried out within the last 12 years
Taxes, notary & registrations fees paid at the time of purchase as well as Estate agent fee’s

If the property is your main residence then, per the EU law, should you reinvest the proceeds from the sale into another property within EU territory, for use as your main residence, then there is no Capital Gains levied from the sale at all. You have 36 months to reinvest, after the purchase. This does not apply to properties owned in Companies, however.

NOTABLE TAX AT A GLANCE	PRIVATELY OWNED PROPERTY	COMPANY OWNED PROPERTY
IMT - Property Transfer Tax	Urban properties for habitation - Up to 7.5% Plots of land - 6.5% Rustic Property / land - 5%	No IMT applicable
Additional Purchasing Costs	Stamp Duty - 0.8% Notary & Registration Fees - €500 +/- Lawyer’s/Legal Fee’s - Between 1% - 2%	Lawyer’s Fees - Between 1% - 2% No additional Stamp duty, Notary or registration fees
IMI - Annual Property Tax	0.3% - 0.5% of VPT 0.8% for Rustic property	0.3% - 0.5% of VPT 0.8% for Rustic property
AIMI - Additional Annual Property Tax	Please refer to previous page	0.4%
Capital Gains Tax	28% of the profit for non residents	25%
Inheritance Tax	No inheritance tax for immediate family 10.8% in all other cases	Refer to your accountant for exact information
Income Tax	28% on rental income for non residents	Refer to your accountant for exact information

PORTUGALS' NON HABITUAL RESIDENCY



PORTUGAL'S NON HABITUAL RESIDENT TAX REGIME (NHR)

The NHR tax regime was first introduced in 2009 as a clever way for the Portuguese government to entice high net worth individuals and those of high cultural and economic worth to Portugal. A move that has seen substantial returns for the country, albeit with some kickback from countries who wish to retain their residents' tax flow. Presently there over 10,000 non-habitual tax residents in Portugal.

WHO'S APPLICABLE TO APPLY FOR THE NHR TAX REGIME

To qualify for the NHR tax regime you must comply with the following:

- Own or have an official rental contract of 12 months or more, to a property for habitation purposes on the 31st of December of that year

- Have a legal right to reside in Portugal. All EU/EEA and Swiss citizens qualify for this, including Portuguese who have not been living in Portugal for 5 years or more. Or those that have a valid Golden Visa

- Not of been a tax resident in Portugal in the 5 years before applying for the tax regime

WHAT DOES THE NHR REGIME OFFER

There are several great tax incentives for non-habitual tax residents in Portugal:

- Tax exemption for, almost, all foreign sources of income
- 20% flat-rate tax on income from certain Portuguese sourced income
- No tax on pensions (some exceptions apply)
- Tax-free rental property income
- No inheritance tax to family members
- No wealth tax
- There is also no minimum stay requirement with the NHR regime

HOW TO APPLY FOR THE NHR TAX REGIME

if you're buying a property here in the Algarve then it may well make sense to have your lawyer arrange this for you as they will already have most of the required documentation and of course, would likely offer a discounted price along with the property purchase.

WHAT YOU'LL NEED TO FOR THE APPLICATION:

- Proof of legal residency in Portugal - For EU citizens you just need to register your residency with the local town hall. For those out with the EU, then you will first need to apply for a residence permit, commonly the Golden Visa, before registering as a tax resident at the town hall. The process is straight forward and just requires the completion of a form and a nominal fee.

- Obtain a Portuguese taxpayers number (NIF) - This is the equivalent of a National Insurance number in the UK, or Social security number in the US and is a requisite for pretty much any activity in Portugal, whether buying or renting a property you'll need this before any paperwork can be drawn up.

- Register as a tax resident - Once you have completed the above you can then register your status as a Portuguese tax resident. It is from this date that your NHR will apply from (retroactively).

- Apply for your NHR status - You can apply for the NHR status yourself online via the Financas Portal, or in person at the finance department. You'll need your passport, NIF number, fiscal address, email address and a phone number you can be contacted on.

You will also need to supply the following paperwork to complete the NHR application process:

- Your last 5 years tax returns
- Proof of your property purchase in Portugal, or a valid rental contract
- A declaration confirming you have not been a tax resident in Portugal for the 5 years preceding your application

PORTUGAL'S GOLDEN VISA

Portugal's Golden Visa program was introduced by the Portuguese government in 2012 and has since generated over €4billion of investment in real estate. The goal was to encourage investment from non-European nationals to move, live and work in the country by way of a Golden Visa, thereby boosting the economy. One of the key draws of this program is, of course, a relatively simple way to gain free movement throughout Europe. This has proven to be hugely popular with the top 5 countries investing being; China, Brazil, Turkey, South Africa & Russia.

HOW DOES PORTUGAL'S GOLDEN VISA WORK?

The premise of the Golden Visa in Portugal is fairly simple. In exchange for a sizeable investment you and your family will be eligible for permanent residency in Portugal and, after five years, have the option to apply for Portuguese citizenship.

The key benefits of the Golden Visa program are listed below:

- Free movement through any of the 26 Schengen Area.

- All family members can be included within the Golden Visa application, including children, spouse and parents, all with the same benefits.

- Investment in a safe and secure country.

- Further tax benefits in the way of apply to become a non-habitual resident of Portugal, which exempts most income tax for 10 years.

- After 5 years you and your family can apply for full Portuguese citizenship.

- No requirement to stay in Portugal for more than 14 days per year (non-consecutive), which can be helpful if transitioning from another country in the first few years.

GOLDEN VISA - HOW TO QUALIFY

Any non-EU/EFTA nationals can apply for the Golden Visa program (investors from the UK or any other EU/EEA country do not need a Golden Visa, but must instead register their stay and apply for residency) or the Portuguese investor visa. The qualification process is fairly straight forward and as long as the applicant can invest in any of the following, whether as an individual or business entity set up in an EU member state they can apply for the Golden Visa;

- Transfer of capital to Portugal of over €1,000,000.

- Create a business opportunity with new employment for a minimum of 10 people.

- Investment in any kind of real estate of at least €500,000. The property must be located inland, or in Azores or Madeira, Porto, Lisbon and populated coastal area's are no longer valid since 5/2/20.

- Invest in various scientific, artistic, heritage sites to the value of at least €350,000.

- Purchase, for renovation, real estate of at least 30 years old, in an urban re-generation area with a value of at least €350,000.

- Investment of a minimum of €500,000 in small or medium-sized businesses in Portugal

The program is essentially a fast track to Portuguese residency, which allows, of course, full and simplified movement throughout Europe.

Following the successful application the applicant will be issued with a temporary residence permit for 12 months, renewable for 2-year intervals. After the 5th year, the holder can apply for permanent residency in Portugal, after 6 years Portuguese citizenship can be applied for.

PROPERTY FINANCING IN PORTUGAL

MORTGAGE OPTIONS EXPLAINED





MORTGAGE & FINANCE IN PORTUGAL

The Portuguese mortgage market has had a long history with non-residents and as such is a well established and, relatively, straight forward process for buyers to tap into when looking at the purchase of their new home here.

The last few years have seen a large swing to cash buyers here, perhaps reflecting the demographic of the present-day buyer's in the Algarve more so than the financial market. However, the banks have been proactive in actively encouraging buyers to look at mortgaging here instead of investing cash.

The qualifying criteria are fairly strict, with the aim being to lend only to those who do not actually need the finance but take it as a means of freeing up capital that would otherwise be tied into the property here. So high net worth individuals with a solid credit rating are the preferred clientele.

If we look at the comparison with UK banking institutions, the loans here are incredibly straight forward and uncomplicated. The rates are very low, with spreads as low as 0.7% + Euribor. This will be effectively a tracker mortgage, with the rate tied to the Euribor, which is presently under 0% and unlikely to alter much over the next few years. With this the Portuguese loans are excellent, they do not, however, offer any kind of interest-only loans, so the repayments will, of course, be higher than sourcing in the UK.

For IRG clients, we will assess and suggest the best bank(s) for your specific needs, as well as prepare and submit the application(s) on your behalf. In most instances our finance department can analyse your application, and provide you with a pre-approval along with a loan simulation with 24 hours.

All our financial services are provided without any cost to our clients'.

EARLY PAYMENT PENALTY - All the loans here do also come with a low early redemption penalty. This is set by the Bank of Portugal, so is applicable whichever bank you approach. Presently the fee is 0.5% for a variable loan and 2% for a fixed-rate loan.

LTV - LOAN TO VALUE - The maximum LTV available here is 75% of the price or valuation, the lower being the determining figure. This is not available at all banks however, so it's worth looking at what options are key to you beforehand, to help with the financial planning of your purchase.

TERM LENGTH - The maximum length of any loan here varies from 30 - 40 years, or until the eldest applicant reaches 70 or 75 years of age. Varying slightly from bank to bank.

INTEREST RATES - Rates here are very competitive, with most banks offering rates under 1.5%, with many under 1%. The rates will be tracked to the Euribor, so will alter every 3,6 or 12 months.

The criteria for borrowing money is generally gauged against your incomings & outgoings, with a percentage being used to determine how much you can afford to repay.

Example: If you have incomings of €2,000 per month, outgoings of €1,000, your net income would therefore be €1,000.

Banks will then apply their "affordability" percentage, which can be up to 40%, which allows you a repayment figure of €400 per month (40% of net income of €1,000).

PROPERTY MANAGEMENT SERVICES

Simply hassle free ownership





PROPERTY MANAGEMENT

When buying a property in a foreign country, or indeed one in your our country, if you're not on hand to keep an eye on it, there is an obvious concern, which is where a Property Management company steps in.

The key role of your property manager is to ensure that your investment is well cared for and maintained, or indeed, improved, during your ownership, so when, or indeed if, you come to sell, the property has the best possible resale value.

Here at IRG Property, we pride ourselves on a direct and simplistic approach when it comes to Real Estate, so we are also pleased to offer all our client's our Property Management Services, exclusive to those buying with us.

We firmly believe in providing the best possible service, with a transparent approach clearly detailing any and all services carried out each month, with a detailed monthly account.

The basic services included within our fee's are listed below:

PROPERTY VISIT - A weekly visit to air the property, check main appliances and ensure the property is in the condition one would expect.

BILL PAYMENTS/MANAGEMENT - Any utility bills will be paid and itemised on your monthly statement. Where required meter readings will be taken and submitted to ensure the costs are accurately reflected each month and any abnormal charges questioned.

MAID SERVICE - Full maid service will be provided as and when requested.

REPAIRS & MAINTENANCE - Any works or improvements to the property can be carried out with our network of professional tradesmen, with free quotations provided prior to work being carried, with additional supervision

during times the property is having work done.

GARDENING SERVICE - Our gardening team will ensure your property has that extra sparkle not only on the inside but on the outside also, with a weekly gardening service.

SWIMMING POOL - Weekly, or twice weekly visits when needed, will be carried out by our pool maintenance team to ensure no unnecessary expensive maintenance issues appear and your pool is crystal clear.

GENERAL ASSISTANCE - As well as basic services you will have our full team on hand to help with anything that might crop, whether it's property-related or not.

THINKING ABOUT RENTING YOUR PROPERTY?

For many owners, the additional income from renting out their property is an alluring option. With a huge demand during the peak season, when the rental rates are at their peak, it can be an excellent choice to offset the yearly running expenses with a few weeks rental.

With many years of experience in this field, we can advise potential rental rates for your property with a fairly exact annual profit and loss forecast to help plan your expenses accordingly, or indeed if it's worth renting or not.

ALOJAMENTO LOCAL (AL) LICENSE

A requirement to rent out for short term periods (rents of less than 30 days) owners are required to apply for an Alojamento Local license.

The process is fairly straight forward with the property requiring basic health and safety items installed, i.e. fire extinguisher(s), first aid kit, emergency exit signs etc.

Owners are also required to register with the Financas (tax department) via a Business Activity Registration.

RENTAL PERIODS

The rental season in the Algarve is concurrent with the large European school holidays, with July & August offering the peak rental incomes on a weekly basis. Easter, Half terms and Christmas (to a degree) also offer the chance for peak rental rates. All in all these periods can offer an owner up to 20 weeks of rental potential. Of course, the Algarve is popular for golf year-round so there is potential to bolster these weeks with additional income at any time of the year.

INCOME TAX

For most non-resident owners renting short term, the simplified tax regime will be the most straight forward.

Category B Tax (invoices issued by, or in the name of the owner(s))

65% of net income is automatically deducted as expenses whilst income tax is then paid on the remaining 35% only.

The alternative is Category F Tax (invoices issued by a management company or tour operator in their name) which is paid at a rate of 28%, which is the fixed % for rental income.

IVA / VAT

IVA becomes chargeable after your rental income exceeds €10,000 at which point it is charged at 6% over the rental amount.

Social security / National Insurance: If you are already contributing to another country, or receiving benefits such as a pension, owners are eligible for a full exemption.

Otherwise, the social security payments under Category B will be made after the threshold of €16,768.80 Gross income is exceeded. The rate is 29.6% for self-employment income declared in the previous year.

PROPERTY RUNNING COSTS

Establishing the costs required for buying your new property is one thing and fairly important. What’s also key to a smooth and worry ownership is being aware of the ongoing expenses for said property.

Below you will see an approximation of running costs for various types of property.

This will vary of course depending on the area your property is in, as well as the facilities the condominium/resort offers. Regardless of this however it should give you a fairly clear idea of what level of expenditure will be required.

Our management team do keep an eye on utility bills as well as taking monthly readings to ensure the most cost-efficient running of your property, especially when the property is rented as this does increase.

	4/5 Bed Villa Vale do Lobo	4/5 Bed Villa Loule	2 Bed Apartment Vilamoura
Alarm System	€600	€600	€300
Electricity	€3,000	€3,000	€1,800
Water / Sewage	€2,400	€1,500	€1,000
Gas	€1,200	€1,200	€600
Swimming Pool Maintenance	€1,200	€1,200	N/A
Garden Maintenance	€2,400	€2,400	N/A
Property Management Service	€2,400	€2,400	€960
Buildings & Contents Insurance	€500	€500	€300
IMI & AIMI Property Tax	€3,000	€1,500	€1,000
Cleaning & Laundry	€2,500	€2,500	€1,500
TV & Internet Service	€600	€600	€600
General Maintenance & Repairs	€2,000	€2,000	€1,000
Condominium/Resort Fee’s	€3,500€	N/A	€1,200
Total estimated annual costs	€25,300	€19,400	€10,260

Looking after our clients’ properties is a responsibility we take very seriously so if you have specific wants and needs then we want to make sure we can accommodate them to the highest of standards.

We will initially arrange a meeting at your property to have a look through what’s needed and discuss with you any potential issues that we foresee, especially if we will be renting the property, any repairs or works that you would like us to arrange and of course arrange any quotations for swimming pool & gardening maintenance.

If you are not in Portugal we can visit the property independently and submit our findings in a report to you for feedback.

Our idea is to keep everything as black and white as possible. We have no hidden fee’s, all our costs are available to you at any time and other than actually using the property it will be treated as if it’s our own.

INTERESTED IN WORKING WITH US?

BUYING AND SELLING WITH IRG PROPERTY

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