



**OLIVE HOMES.COM**  
PORTUGAL PROPERTY

## Why are prices going up?

Portugal is not unlike many property markets at the moment. The UK, Ireland, USA, Canada and Australia to name a few. It seems that market conditions, post 'Covid-lockdown', have triggered a frenzy among property investors looking to find a new home. But why has this triggered price increases in Portugal that seem to be beyond any expectations? Let's look at some key points.



### Demand

- Clients want to live in less dense areas.
- Clients can now live and work remotely.
- Clients wish a better quality of life, now more than ever.

- Clients want detached properties rather than apartments.
- Clients taking advantage of the Golden Visa rules before they change in 2022.
- New markets such as North America which have seen a substantial increase.

### **Supply**

- Portugal has one of the lowest supply of new properties in Europe.
- Very few complexes have a large volume of new accommodation.
- Most new complexes are built by owner-managed constructors who build within their means.
- Planning Permissions continue to take 18-24 months to be approved.
- Current owners are not putting their properties for sale: either due to the inability to replace what they have, their desire to benefit from increasing prices or having no necessity to sell.
- Off-plan developments, currently for sale, are being reserved exceedingly quickly.
- New construction prices and materials up 20/30% since 2020.

### **Finance / Mortgages**

- There is not an easy source of money.
- Mortgages are granted on a repayment basis subject to a strict criteria from the Bank of Portugal.
- The cost of borrowing is historically low.

### **Summary**

It's fair to say the price increases are purely due to demand exceeding supply. Simple economics. Portugal was always a safe option with many glorious lifestyle benefits. Now there are even more reasons to buy and even more clients.

Like a lot of things currently, the shelves are becoming empty and the next delivery will be more expensive. In Portugal, we are also seeing this happen. Be it kitchens, sofas or villas. It is also apparent that there appears to be no end to this trend. It is not on the back of 'easy to get' mortgages. Quite the opposite, individuals with savings, making informed decisions – hence, we don't see any bubbles bursting.

If you think you're one of the clients wanting to invest in Portugal we suggest moving quickly as the prices will only be heading one way.

For more information on this topic, feel free to contact us on: [hello@olivehomes.com](mailto:hello@olivehomes.com)

---

## Property Of The Week

**Superb Value - Fully Refurbished Villa,  
Prime Location in Vilamoura**



In the wonderful resort of Vilamoura, we want to bring your attention to a detached three bedroom villa that has been totally renovated and refurbished. Located close to amenities such as shops, bars and restaurants and just 15 minutes walk to the marina. It is near impossible to find a nearly new villa for such a price. Exclusive to OliveHomes.com. Contact us now if you have any interest and don't forget to view it online with our Virtual Experience.

## Virtual Experience

### Testimonial Of The Week



Since first contact with OliveHomes.com it has been a painless process of discussing our needs and finding our holiday home in Portugal. We started this process during the pandemic and David was able to reassure us that he will handle everything even though we couldn't travel. Now we have arrived and everything is perfect. He has provided a complete service with lawyers, furniture supplies and a management rental company. Nothing is too much trouble. Happy to recommend. Top Class.

Clive and Angy



*Copyright © 2021 OliveHomes.com, All rights reserved.*

You are receiving this email because you opted in via our website.

**Our mailing address is:**

OliveHomes.com

Urb. Al-Sakia, LHM10, Loja 12

Fonte Santa

Quarteira 8125-020

Portugal

[Add us to your address book](#)

Want to change how you receive these emails?  
You can [update your preferences](#) or [unsubscribe from this list](#).