

# Portugal: Still A Promising Real Estate Market?

There has been much discussion recently about whether the influx of foreign investment into Portuguese real estate is a temporary phenomenon, driven by the country's newfound popularity, or a lasting trend with deep structural roots.



As the Managing Director of **OliveHomes.com**, I believe it's essential to address these concerns and provide clarity on the matter. While some in Portugal have expressed concerns that rising property prices might signal the peak of foreign investment, I would argue, based on comparisons with other markets such as Spain, France, Greece, and Italy, that what we are witnessing is not a fleeting trend but rather a structural shift in the real estate landscape.



Portugal's appeal to foreign investors is undeniable. The country boasts unique advantages that make it an attractive destination for those looking to invest in real estate. These include a mild climate, a safe environment, economic stability, a relatively low cost of living compared to other European nations, and proximity to major European capitals—both in terms of travel time and cost. Many of our clients at **OliveHomes.com** are drawn to Portugal not just for its investment potential but also for the lifestyle it offers—a lifestyle that provides a respite from the pressures and costs associated with more hectic societies, especially in areas such as healthcare and services.



While these advantages have long been recognized, the forces of globalization have only strengthened Portugal's position in the global real estate market. The rise of remote work and the widespread availability of high-speed internet are critical factors. In fact, the availability of free 4G or 5G in many of our coastal cafés is just one of the small but significant details that enhance Portugal's allure for international investors.

The recent changes to the Non-Habitual Resident (NHR) regime and the Real Estate Investment Visa (Golden Visa) may have caused some to question the future of foreign investment in Portugal. However, I remain confident that the underlying appeal of our market remains strong. The steady increase in real estate prices is indicative of the market's resilience and its continued attractiveness to investors worldwide.



Portugal presents a unique scenario for real estate investors. While the slow pace of municipal processes can be frustrating, it also serves as a safeguard against market overheating. This bureaucratic inertia effectively slows down large-scale investments, thereby contributing to the stability of the market—a feature that is often undervalued.

There are those who argue that property prices in Lisbon, for instance, have reached their peak, especially when compared to other European cities like Milan or Madrid. But it's essential to recognize the unique factors driving the Portuguese market. Cities like Lisbon and Porto offer proximity to the beach, a mild climate, safety, and tranquillity—characteristics that are not easily found in many other European urban centres. The chronic shortage of premium properties in these areas further accentuates their value, which has led to the more pronounced appreciation of property prices in recent years.



While the slower pace of growth can sometimes be frustrating, it also provides a buffer against economic pressures, contributing to a more stable and less volatile market environment. Unlike other regions that have faced severe recessions, Portugal has maintained relative economic stability, supported by stronger fundamentals and a resilient market structure. This stability boosts investor confidence, especially in times of global uncertainty.



In conclusion, I firmly believe that investing in real estate in Portugal remains a sound financial decision, both in the short and long term. The country's structural advantages make it an attractive and secure destination for investment. However, as with any market, it's vital to conduct thorough research and select properties with high potential for appreciation. Even in a thriving market, not all properties will perform equally.

For those who remain undecided, I can say with confidence that investing in Portugal's real estate is an excellent choice. The trends we are observing today suggest that the market's attractiveness will only continue to grow, presenting even greater opportunities for profitability in the near future.

David Rowat
Managing Director, OliveHomes.com

### **Properties Of The Week**

Exclusive development in Carvoeiro boasting one-, two-, threeand four-bedroom luxury apartments



This is an exclusive residential development nestled in the picturesque town of Carvoeiro in the Algarve. Designed to offer the perfect blend of luxury, comfort, and natural beauty, this project aims to create a premium living experience that caters to discerning buyers seeking a tranquil yet vibrant lifestyle. I

Ref. <u>OH2756</u> Price €472,000

#### Spacious and Luxurious Two Bedroom Apartment in Hilton, Vilamoura

Nestled in the heart of the luxurious Vilamoura, The Hilton 'As Cascatas' Resort & Spa is a stunning masterpiece that will leave you in awe. This resort is ideally located between Vilamoura's Old Course and Pinhal golf course, offering easy access to the international marina, stylish shops, leisure amenities, and the breath-taking sands of Falésia beach





## **Testimonial Of The Week**



Alex was very professional and always available. An amazing member of your team and thank you for everything.

Ana - Vilamoura



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