

BUYING A PROPERTY AT MONTE REI

Once you have chosen to invest in one of our exclusive real estate options at Monte Rei Golf & Country Club, and you have agreed terms, you should instruct a local lawyer to advise and represent you in the purchasing process.

FISCAL NUMBER

To purchase a property in Portugal, you must first obtain a fiscal number. Your lawyer will be able to assist and advise how to register for one. This will have no tax implications in Portugal as long as you are a non-resident.

SELLERS DOCUMENTS

The developer & seller must provide all documentation, including the real estate register entry, the tax certificate, the habitation license and plans as approved by the town council, the technical habitation license, and the energy performance certificate for the property.

FINANCIAL PACKAGE (MORTGAGE)

As long as bank requirements are fulfilled, overseas buyers can apply for mortgages under the same conditions as Portuguese citizens.

BUYING COSTS & TAXES

There are a number of buying costs and taxes you should take into account when buying a property in Portugal.

IMT (Municipal Property Transfer Tax)

6% to 6.5% of the property purchase price

IS (Stamp Duty)

0.8% of the property purchase price

Lawyer fees

variable from 1% to 2% of the purchase price

Registration fees

0.45% to 0.8% of the taxable value of the property

Additional Municipal Property Tax

applicable to properties valued at over €600,000

In Portugal, there is no inheritance tax between close relatives. Any other situation will be subject to a stamp duty of 10.8% of the rateable value of the property.

RENTAL INCOME

Any income derived from your property must be reported to the local tax authorities in your annual tax return.

THE BUYING PROCESS

LETTER OF INTENT

A letter of intent will be prepared which will clearly state what is to be included in the sale, the agreed price, and an exchange and completion date. A copy of the signed letter of intent will be sent to your lawyer as a reference to the agreed terms.

EXCHANGE OF CONTRACT (CONTRATO PROMESSA DE COMPRA E VENDA)

Your lawyer will carry out all of the necessary legal searches on the land and property, ensuring that the seller has clear title to sell and that there are no outstanding charges on the land or property. They will then prepare the Promissory Contract which is a legally binding contract between you and the seller. This will state yours and the seller's details, as well as details of the property, the schedule of payments, completion date and any special terms agreed by both parties.

This must be signed by both parties in the presence of a lawyer. It is normal at this stage for the buyer to pay a deposit, usually via the lawyer's client account. Under Portuguese law, if the seller does not fulfil their contractual obligations, they will be liable to refund the buyer double the amount of the deposit. Likewise, if the buyer is in breach of contract, the deposit is non-refundable.

COMPLETION (ESCRITURA)

The official deed of transfer of ownership will be signed at the lawyer's office on the agreed date, either by you or your lawyer, if you have opted to give them power of attorney. The balance of the purchase price is now paid and the lawyer will record the transaction in the official record. Once the deed and all other associated transactions are completed, your lawyer will register your name as the new owner at the Land Registry (Registo Predial).