

Portugal Property Boom: What International Buyers Need to Know Before Making the Move

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By **Lionel de Freitas**, 14th August 2026

Portugal's rise as one of the world's most sought after property destination has been remarkable. Once viewed as one of Europe's quieter markets, it is now firmly on the radar of international investors seeking both lifestyle and long-term value. From Lisbon's cultural revival to the Algarve's enduring appeal, Portugal's property market continues to attract buyers looking for more than just a second home.

Yet while headlines often focus on rising property values and lifestyle benefits, successful property ownership in Portugal requires far more than finding the right home or investment opportunity. The most successful investors understand that purchasing overseas is a strategic decision that can have lasting implications for tax planning, residency, succession, wealth preservation, and long-term financial security.

For international investors, understanding the realities behind the Portuguese property market can make the difference between a seamless acquisition and an expensive learning curve.

For those considering purchasing property in Portugal, the process begins with formalities rather than front doors. Obtaining a Portuguese tax number (NIF) is essential, as is opening a local bank account to facilitate the transaction. While these steps are relatively straightforward, they signal an important reality: buying abroad requires adapting to a different legal and financial system.

The Biggest Risks Are Often the Ones Buyers Cannot See

Many international purchasers focus heavily on the visible aspects of a property: location, design, amenities, and price. However, some of the most significant risks are hidden beneath the surface.

Before proceeding with a purchase, buyers should ensure they understand:

- Is the property correctly licensed?
- Are there any planning restrictions or land classification issues?
- Are there outstanding debts attached to the property?
- Have previous renovations been legally approved?
- Will the property support future resale or inheritance planning objectives?

These factors can materially affect both the value and usability of an asset.

In Portugal, as in any mature market, what appears straightforward can often involve legal, regulatory, or tax complexities that only become apparent through proper due diligence. Addressing these matters before commitment is far less costly than resolving them afterwards.

Understanding the Portuguese Buying Process Many international purchasers are surprised to discover that the buying process differs considerably from that of their home country.

The journey typically begins with obtaining a Portuguese Tax Identification Number (NIF) and opening a Portuguese bank account. While these requirements are relatively straightforward, they highlight an important principle: buying property in Portugal means operating within a different legal and financial system.

Once a suitable property has been identified, the parties will usually enter into a Promissory Purchase and Sale Agreement. At this stage, a deposit is typically paid, often ranging between 10% and 30% of the purchase price.

This can be one of the biggest surprises for foreign buyers.

Unlike in some jurisdictions where deposits may be refundable under certain circumstances, deposits in Portugal are frequently non-refundable if the buyer withdraws from the transaction. Whilst terms can often be negotiated and tailored during the contract stage, it is essential to understand the implications before signing any agreement.

Ownership is formally transferred when the final deed is executed before a notary and the property is subsequently registered in the buyer's name.

Looking Beyond the Purchase Price

Costs remain a critical consideration. In addition to the purchase price, buyers should account for:

- Property Transfer Tax (IMT)
- Stamp Duty
- Notary and registration fees
- Legal fees
- Ongoing annual property taxes
- Maintenance and management costs
- Succession and inheritance planning considerations

Owning a property also means that property related taxes will be due every year.

In this environment, experienced guidance has become less of a luxury and more of a necessity. International buyers who approach the market with informed support are far better positioned to navigate complexity, manage risk, and secure assets that deliver both personal and financial returns.

How Can Dixcart Help?

For almost 40 years, Dixcart has been supporting international individuals, families and businesses with cross-border planning and investment matters.

Headquartered in the UK, through our team in Portugal, we provide coordinated support covering:

- Portuguese residency and immigration solutions
- Tax and accounting advice
- Property acquisition guidance
- Legal services through our independent legal team
- Business establishment and structuring support
- Ongoing compliance and administration

By combining local knowledge with an international perspective, we help clients navigate the complexities of relocating, investing, and doing business in Portugal with confidence.

Portugal remains one of Europe's most attractive destinations for international investors. The key is ensuring that your property purchase forms part of a well-considered strategy, rather than simply a transaction.

To discuss your plans and explore the opportunities available, please contact Dixcart Portugal at advice.portugal@dixcart.com.