



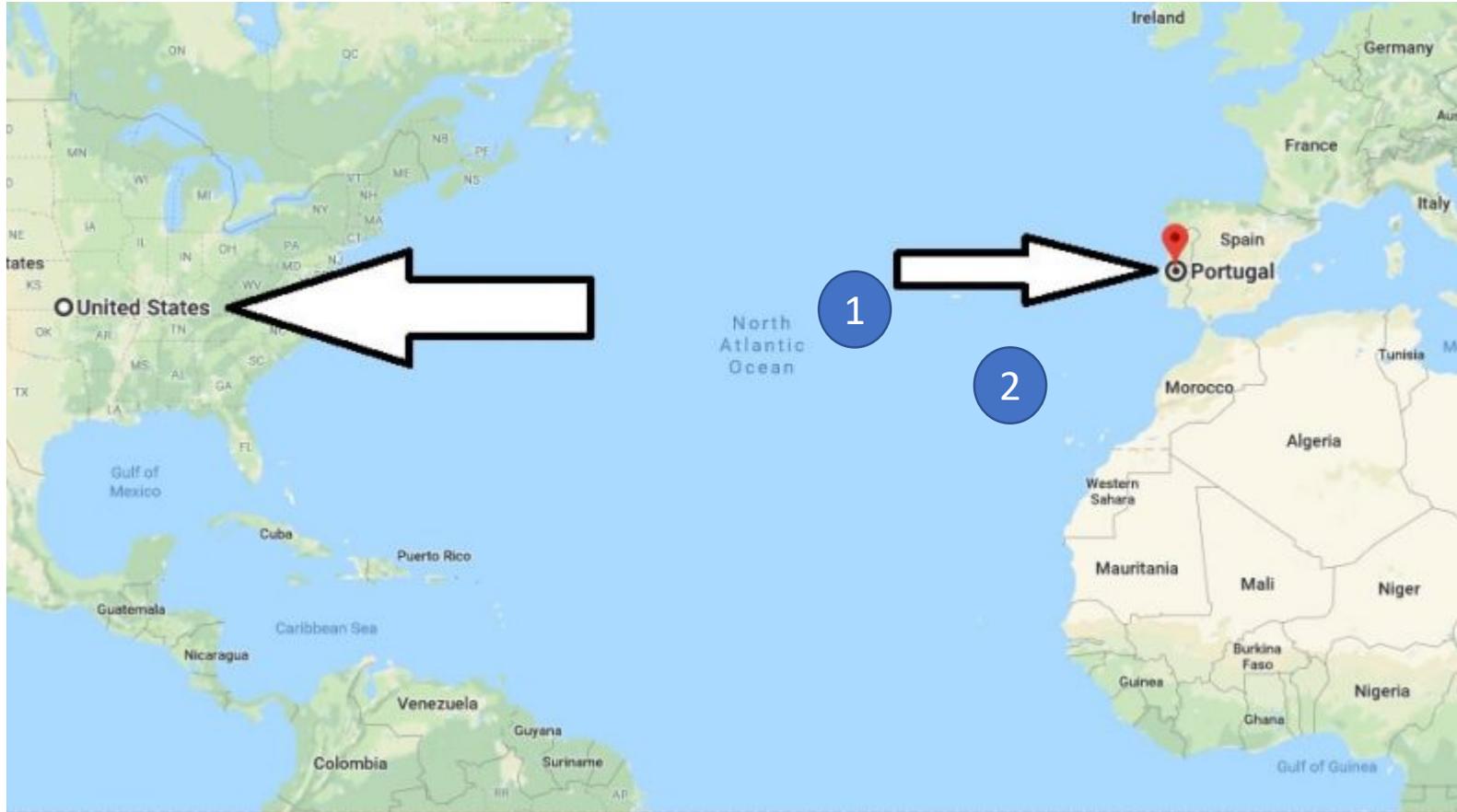
GLOBAL BUSINESS CHAT



TODAY'S AGENDA

1. Portugal Economic Data
2. Portugal Real Estate
3. International Buyers
4. 2020 Trade Mission

Portugal Economic Data



Portugal mainland plus Azores Islands (n.1) and Madeira Island (n.2)

Independence on year 1139

Democratic country part of EURO zone

92.000 Sq. Kms

10 millions population

Lisbon Capital with 500.000 population

GDP per capita 29.000€

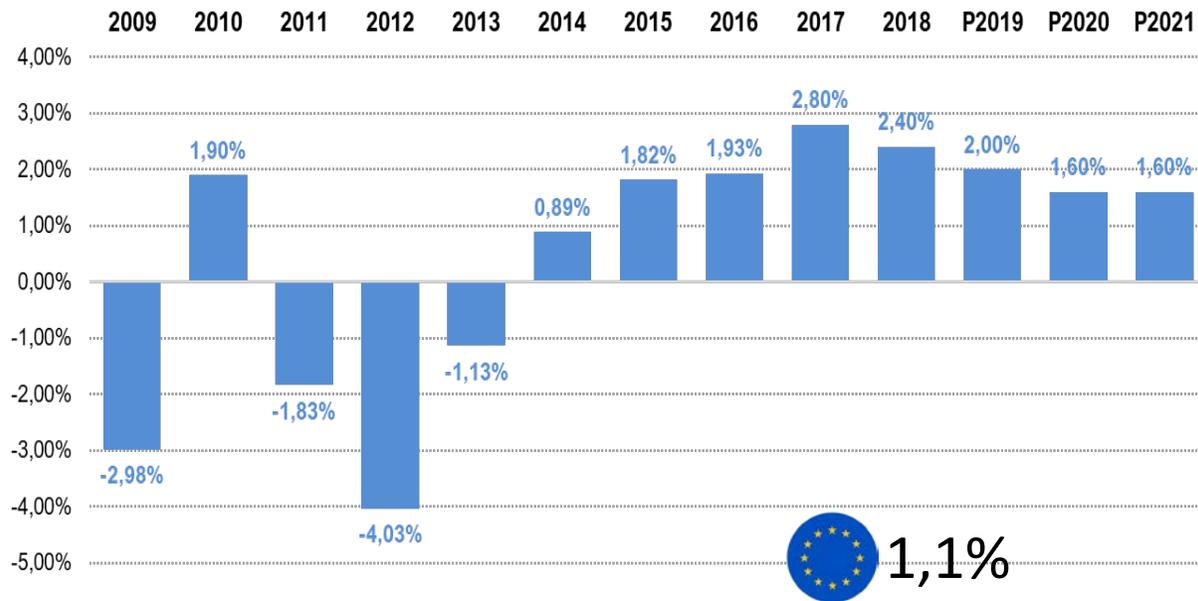
First country to abolish Death Penalty

Gay marriage since 2010

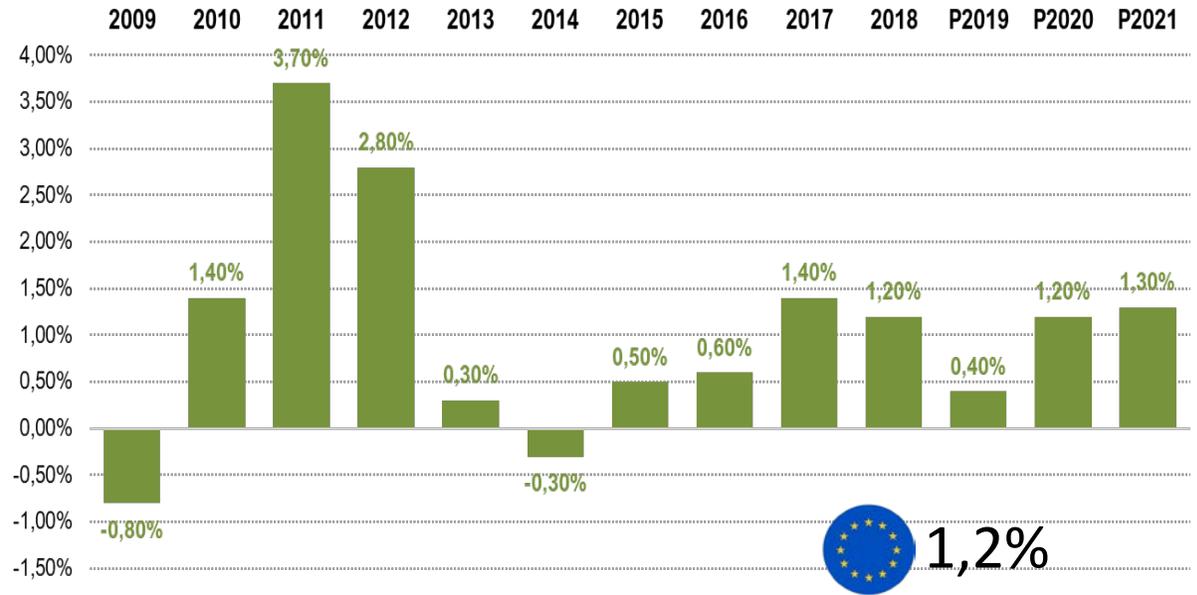
Part of NATO

Portugal Economic Data

GDP

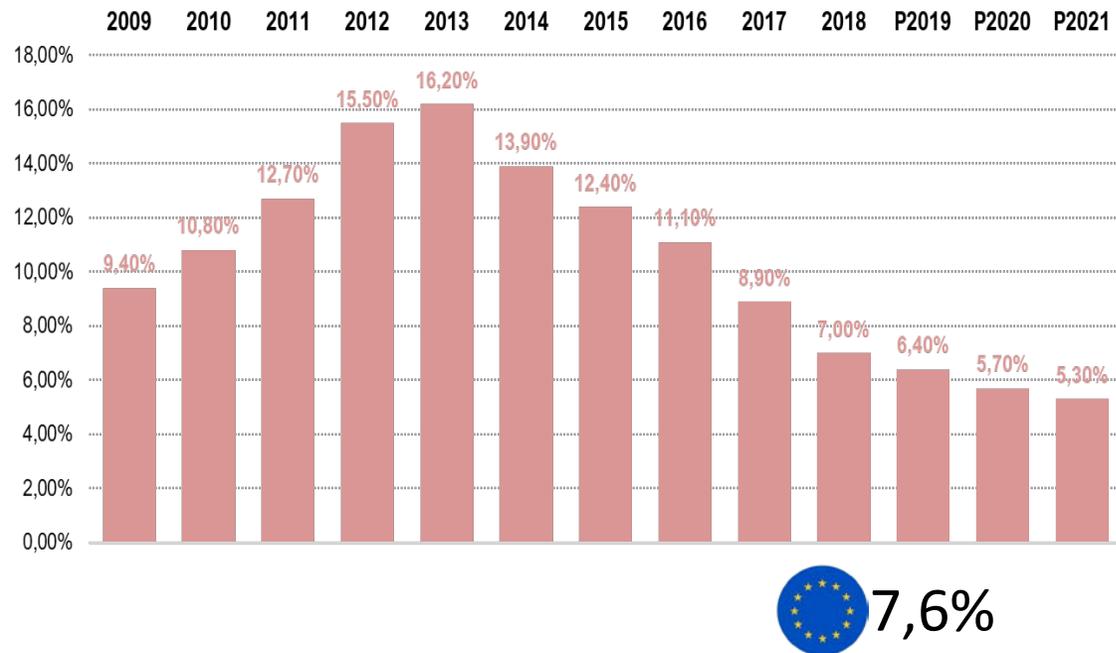


Inflation

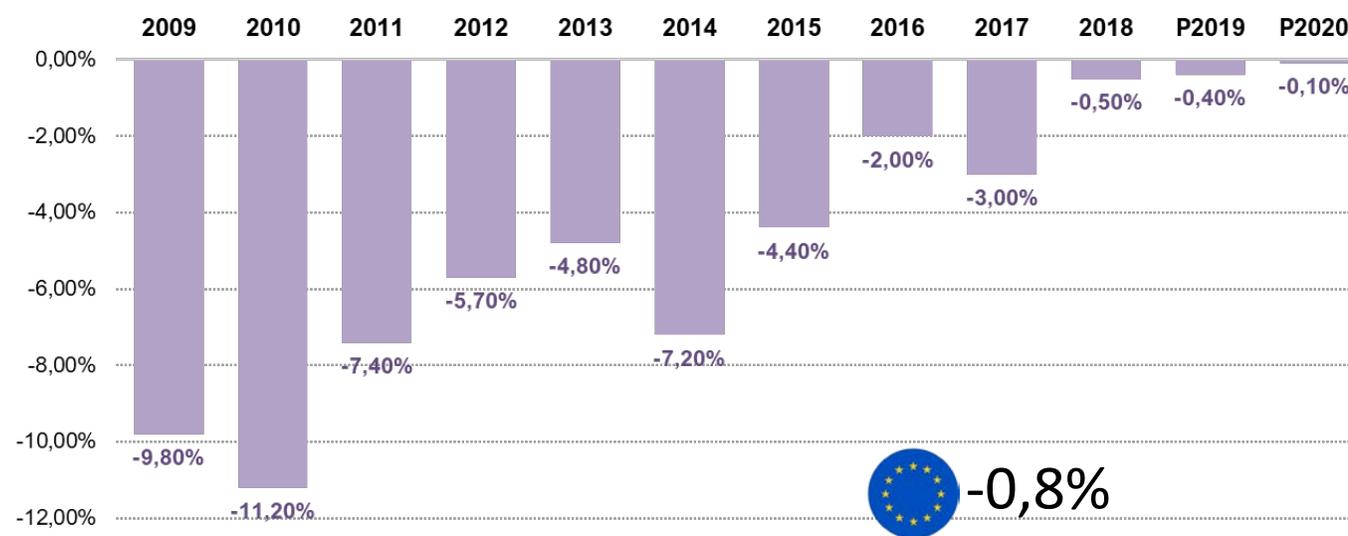


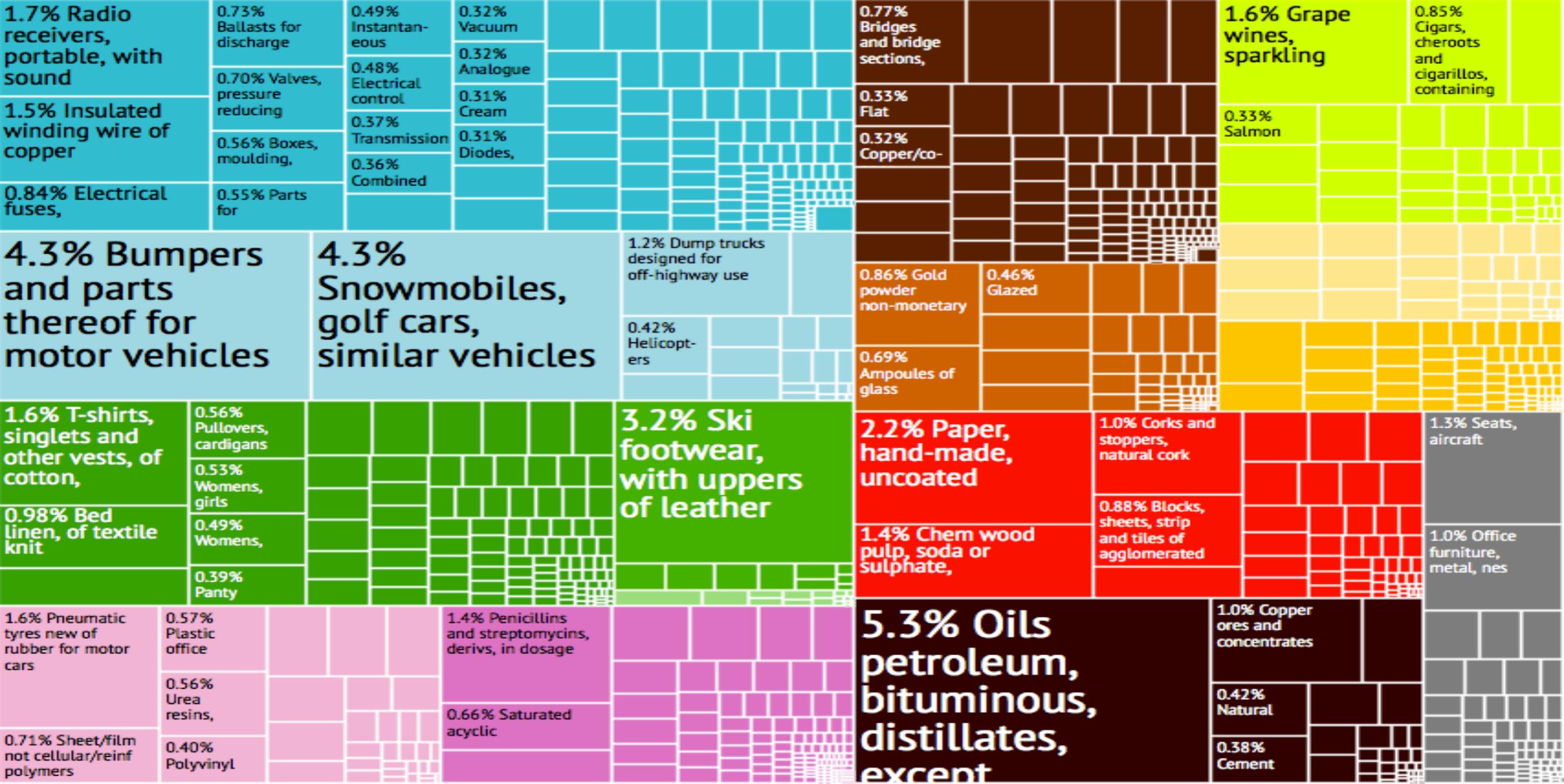
Portugal Economic Data

Unemployment



Public Deficit





Portugal Real Estate Transactions



Average Price 1.192€/ sp mts. (+10,3% and one of the 4 markets in Eurozone with highest performance)

Portugal Real Estate Transactions

- Portuguese Real Estate has a Positive Overview
- Portugal is on the radar of real estate investors
- Investors demand is widen open to Offices, Hospitality and New concepts of Living besides Residential
- Rehabilitation will continue its course and there will be an increasing decentralization of residential projects, namely new construction
- Legislative change to gold visas will curb real estate speculation in Lisbon and Porto, removing the pressure on home prices and promote real estate investment in **low-density regions**

2019 real estate investment in Portugal reached 3.5 billion euros

3 billion euros were traded in the **commercial real estate investment market**, while in the **occupational market** an active demand was revealed, limited by the scarcity of quality product offer.

Foreign investment has dominated the country's commercial real estate investment activity, having been responsible for 78% of the total volume traded last year. Highlight for German investment houses that allocated 680 million euros to Portuguese real estate (32% of the total), for American investors who allocated 300 million euros (14%) and Spanish investors who allocated 294 million.

Portugal Real Estate Transactions

The **Office** (36%), **Retail** (35%) and **Hospitality** (19%) segments were the ones that attracted more investment.

In the **Office segment**, 170,000 m2 were leased in Greater Lisbon, until November. In Porto, the Office sector is also going through a good moment, although still below expectations. In the first nine months of 2019, demand was only for 26,000 m2, largely due to the scarcity of quality products.

In the **Retail sector**, street commerce stood out widely, representing 64% of the number of operations, followed by shopping centers with 24%.

In the **Industrial market** there was some contraction over the past year, largely due to the scarcity of modern quality facilities.

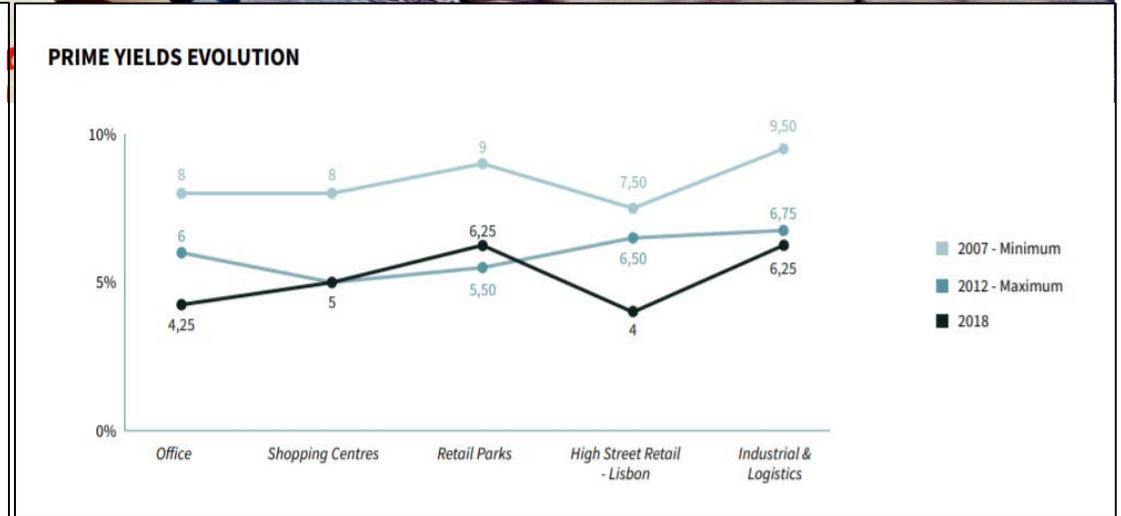
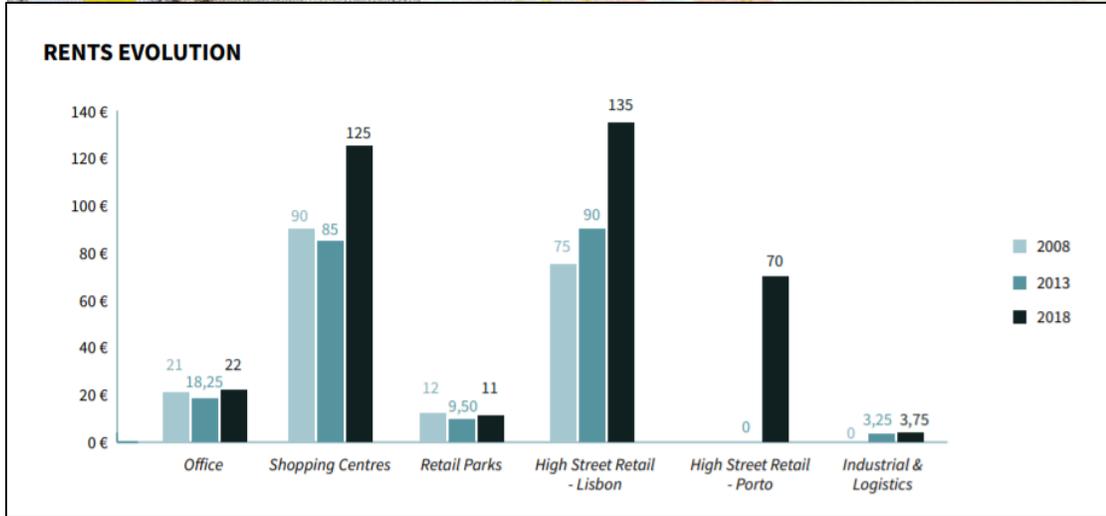
Hospitality

TYPE OF ACCOMMODATION	NO. OF UNITS	NO. OF ROOMS	NO. OF BEDS
Hotels	1,300	99,000	211,000
Local Lodge	2,700	27,700	66,700

Stock

OFFICE	RETAIL	RESIDENTIAL (UNITS)	HOSPITALITY (BEDS)
Lisbon (sqm)	Shopping Centres (sqm)	Retail Parks (sqm)	5,700,000
4,700,000	3,000,000	430,000	277,700

Portugal Real Estate Transactions



Portugal Real Estate



LISBON PRIME VALUES

Lisbon is still more affordable than other European capitals



Source: Financial Times

Portugal Real Estate



30.000 agents

6.800 brokerages

International brands dominate the market (40%) vs

Indies

2 National Associations

How to find good real estate investment opportunities in Portugal?

- Get acquainted with the market and the different regions of the country and decide which cities and neighborhoods you are considering. The value of the property can vary significantly from one area to another, from one street to another or even between apartments;
- Analyze the main real estate agencies and real estate portals such as Imovirtual and Idealista, to familiarize yourself with the market, prices and general trends;
- Look for a Portuguese International Realtor as a buyer's agent to help you find the best options in the market, impartially, according to your interests.

Mortgage Costs

Taxes	Purchase	Property Transfer Tax (IMT)	5%-6% of the purchase price
		Stamp Duty (Imposto de Selo)	0,80% of the purchase price
	Mortgage	Stamp Duty (Imposto de Selo)	0,60% of the loan amount
Deed and Land Registry	Notary Fees		≈ 325 Euros
	Registration		≈ 465 Euros
Others	Solicitor Fees		≈ 390 Euros
	Valuation		221 Euros
	Origination Fee		1,5% of the loan amount

Example

Purchase Price: 400.000 Euros

Loan Amount: 260.000 Euros

Total: 31.000 Euros (11,9% of the Loan Amount)

Taxes: 82%

Others: 18%

The Property Transfer Tax (IMT) represents more than 70% of the purchase and mortgage costs

International Buyers

BUY
VACATIONS
(2nd Home)

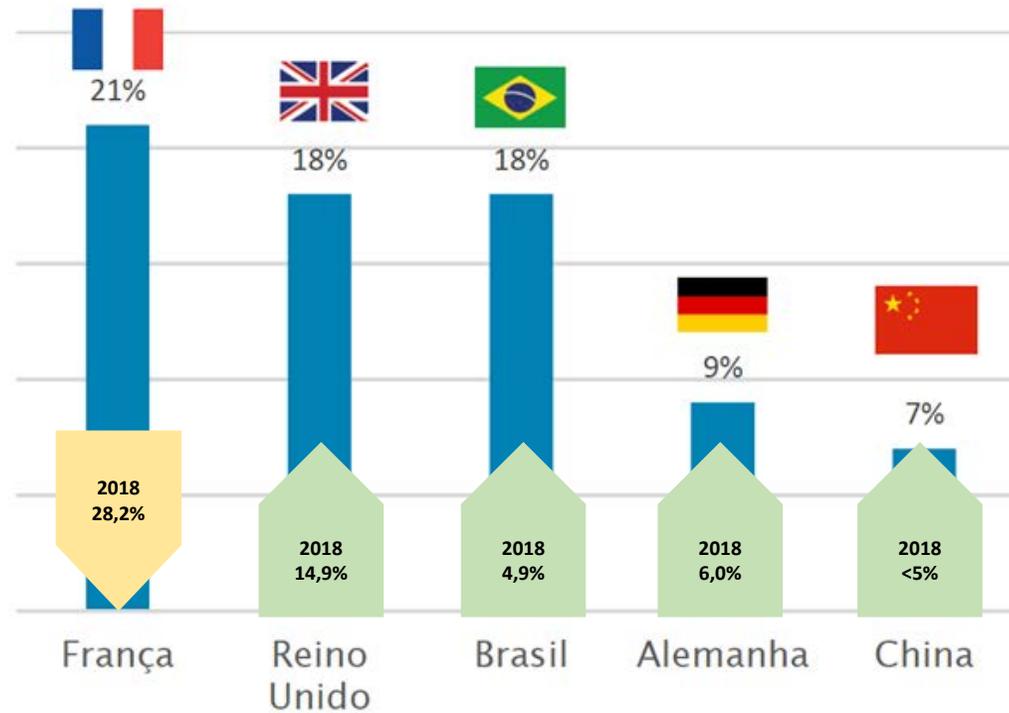
BUY
LIVE
(RRNH)

INVEST
To RENT
(ROI)

INVEST
To SELL
(ROI)

International Buyers

TOP 5 DAS PRINCIPAIS NACIONALIDADES | 1.º SEMESTRE 2019



International Buyers

The low prices of housing in relation to other European countries, are also an attraction for **Spaniards**, **Swiss** and **Italians**, in the search for a new housing, as well as in the field of local accommodation, due to tourism. This list also includes the **United States** (4.7%) and **Angola** (3.2%).

Other nationalities also emerge, highlighting the **Brazilian**, **Turkish**, **Peruvian**, **South African** and **Russian**, for example, a fact that gives high security to the established investment dynamics, showing the city's resilience to possible drops in demand from one or another source;

Portugal is also among the most welcoming; countries in the world for ex-patriates;

In addition to the so-called **golden visas**, whereby residence permits are given out in exchange for a minimum investment of € 350 K (Three Hundred and Fifty Thousand Euros) in real estate, there are those who come to rent, because is cheap and liveable.



International Buyers

Why do US citizens invest in Portugal ?

Low prices of real estate

Quality of life

Good Health Care System

Good Infra-structures (airports, roads, schools)

Solid Democracy

Portugal's improved image and reputation



U.S.-PORTUGAL RELATIONS

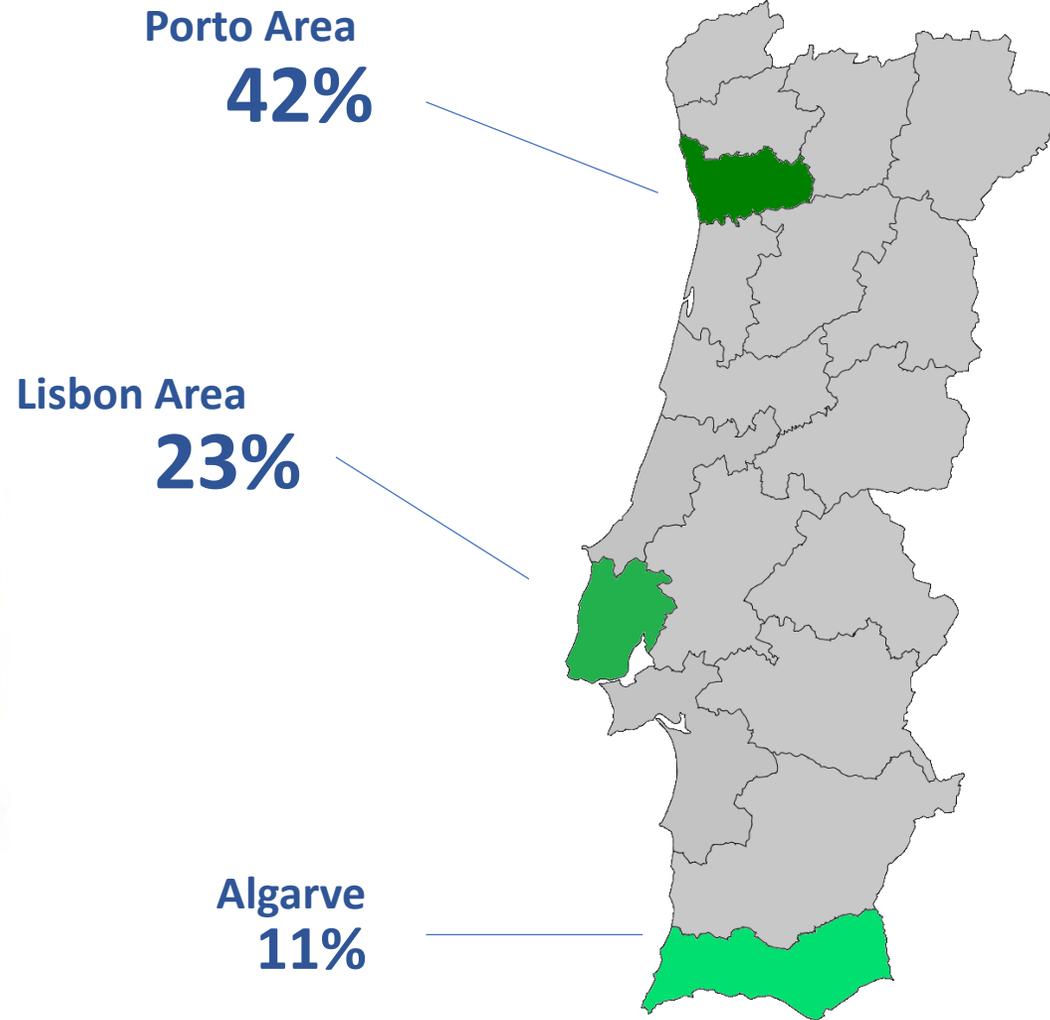
United States-Portugal bilateral ties date from the earliest years of the United States, when Portugal recognized the United States in 1791 following the Revolutionary War. The oldest continuously-operating U.S. Consulate is in Ponta Delgada on the island of Sao Miguel in the Azores. Contributing to the strong ties between the United States and Portugal are the presence of sizeable Portuguese communities in Massachusetts, Rhode Island, New Jersey, California, and Hawaii.

BILATERAL ECONOMIC RELATIONS

The United States is Portugal's largest trading partner outside the European Union. Bilateral trade in goods and services reached \$8 billion in 2018, a 9 percent increase from the previous year. The United States exported \$1.46 billion in goods in 2018, with machinery, mineral fuels, aircraft, and vehicles as the leading products. The United States imported \$3.5 billion during the same time, with mineral fuels, cork, and machinery in the lead. The stock of U.S. direct investment in Portugal reached \$2.1 billion in 2017, and U.S. companies are significant investors in the banking, pharmaceutical and chemical industries, among others. Portugal and the United States have enacted an income tax agreement to prevent double taxation, and signed an agreement on implementing the Foreign Account Tax Compliance Act in August 2015.



International Buyers



Internacional Buyers



Internacional Buyers



Europe best kept secret



International Buyers

Lisbon is a magnet for tourists in Europe as many tourists renovate properties and turn them into short-term rentals through sites like Airbnb. These short-term rentals target visitors who can afford to pay more than locals.

International and European banks, namely German and Dutch, are searching for property developers in Portugal, offering financing for new projects, so far stopped due to lack of credit. This demand is good for companies that cannot find viable alternatives with Portuguese banks and it is good for foreign banks, which in their countries of origin finance construction with spreads of 1% and in our country can earn rates of 3%. The interest of foreign banking is a natural consequence, in a real estate market that is consolidated and that is attractive on an international scale;



Digital Nomad James Cave
Created a blog called [Portugalist](#)

International Investors

The year 2020 remains promising in the real estate sector. Banks still have bad credit portfolios and assets to sell and **investors continue to arrive, from various parts of the globe, with a desire to invest in the residential, office, logistics and tourism segments.** Therefore, operations in the NPL (Non-Performing Loans) market, along with Real Estate opportunities in the primary (new securities issuance) and secondary financial markets (buying and selling previously posted securities), are strongly favored by internal political stability, by the concrete signs of economic recovery and by the good performance of the banking sector.

There is also a high demand from the English, American and German Funds for the purchase of NPL.

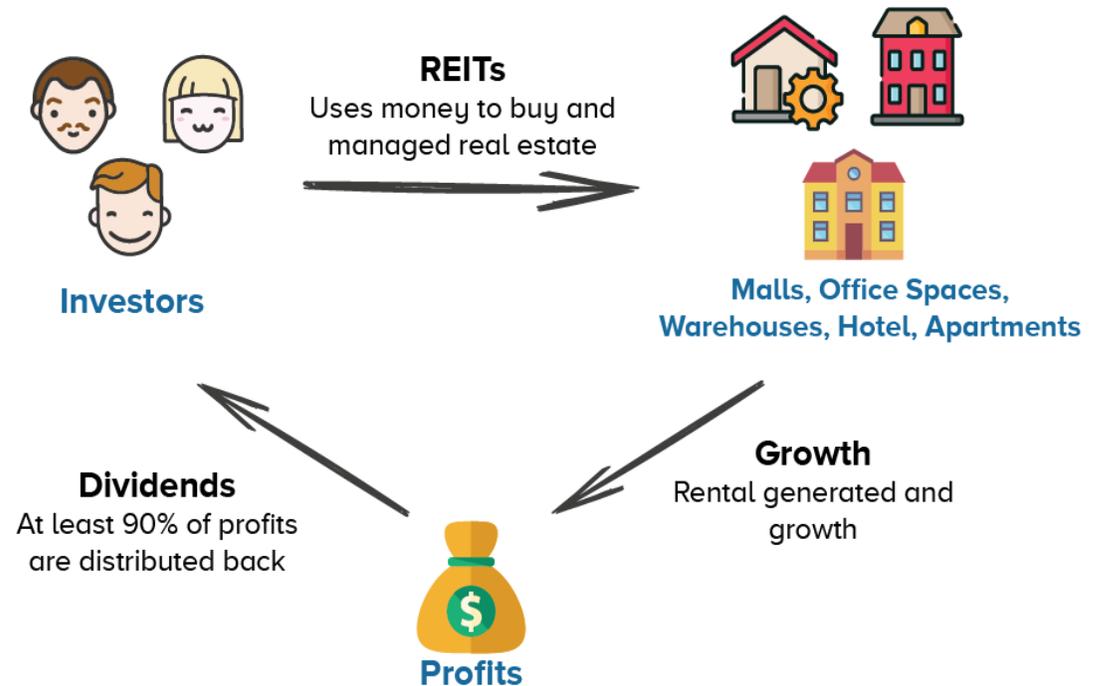


International Investors

New condo developments are emerging, **luxury homes** marketed mainly to a new generation of foreign residents.

SIGI, our version of **Real Estate Investment Trusts**, are another investment option that will bring even more real estate investors to Portugal. These companies are long-term, non-speculative real estate investment instruments, used for income-generating real estate activities, in which leasing stands out. They attract more and better investment and allow small investors to be able to invest in large real estate projects.

Real Estate Investment Trusts (REITs)



International Investors

Throughout 2020, the concept of shared economy (or corevolution), will also continue to boost the market, such as the emergence of new products and concepts, like coworking, coliving, microliving and a new type of student and senior residences, all of them alternative real estate investment segments on the rise.

A sustained and healthy demand from investors, across the different sectors, will allow the development and transaction of various projects, from offices to residential, through hotels and new living concepts, attracting quality investment for offices, affordable housing and projects focused on environmental sustainability.



2020 Trade Mission



TRADE MISSION to LISBON

October 8th to 15th



TRADE MISSION to LISBON

October 8th to 15th

October 8th

Morning: Flight to Lisbon

Afternoon: Free time

Welcome Dinner

October 9th

Salão Imobiliário de Lisboa
(Portugal biggest Real Estate Exhibition)



TRADE MISSION to LISBON

October 8th to 15th

October 10th

Developments Tour



TRADE MISSION to LISBON

October 8th to 15th

October 11st

Lisboa City Tour



TRADE MISSION to LISBON

October 8th to 15th

October 12nd

Morning: Portugal RE Market + Golden VISA + Buyers Profile + Properties

Business Lunch

Afternoon: Properties Tour

International Dinner (IRM+CIPS)



TRADE MISSION to LISBON

October 8th to 15th

October 13rd

Morning: Network with Top Agencies

Afternoon: Sintra & Estoril Tour



Cocktail

October 14th

IMOCIONATE
(Portugal Biggest Global RE event)
(includes translation)

imocionate



TRADE MISSION to LISBON

October 8th to 15th

Includes

5 nights at Epic Sana Hotel (5 stars)
2 nights at Estoril Palace (5 stars)
All breakfasts
All transfers
Welcome Dinner
Tickets to Salão Imobiliário Portugal
Lisbon City Tour with Lunch
Business Lunch + International Dinner
Farewell Dinner
All Trade Mission events

Excluded

Airfares
3 Lunchs
3 Dinners

Price

1.900€

based on double occupancy

2.500€

based on single occupancy

Enrol until July 24th

For further info please email to geral@pir.pt



GLOBAL BUSINESS CHAT

