

METRO Property Overseas



Beauty: Torre de Belém just outside Lisbon

BUY YOUR GOLDEN TICKET TO EUROPE

The property market in Lisbon is offering some fantastic opportunities for British investors, says **Oliver Wadeson**

WHETHER or not you welcomed the 'out' vote last June, one unpalatable prospect facing Brits heading to the Continent after Brexit is long queues at airport passport control. As the deals with our European neighbours are negotiated, fear remains that we will no longer be able to make for granted our right to slip into the EU passport holders' lines. But there is a Brexit 'get-out' clause – and it's one some canny Brits have already been investigating. Investor firms are already reporting an upsurge in enquiries into the 'golden

visa' schemes being offered in southern European countries such as Spain, Portugal, Greece, Cyprus and Malta. They work on a simple principle – invest in property in these nations and in return you are granted residency there and visa-free freedom of movement in the European Union. Until now the golden visa market has been largely dominated by Chinese investors seeking a foothold in Europe. But with Article 50 about to be triggered, Brits are now looking set to grab a share: Henley & Partners, an agency offering 'citizenship planning', says visits from the UK to its website surged

ninefold following the referendum. Of the golden visa nations, Portugal, where a minimum €500,000 (about €436,000) investment in a property earns you the right to residency, is emerging as by far the most attractive. The reason? The country is in the midst of a very healthy property boom. A decade ago, *The Economist* magazine described the nation as 'the new sick man of Europe'; the financial crash of 2008 hit Portugal so hard it was forced to go cap in hand to the International Monetary Fund to seek a multibillion euro bailout. So, what is behind the turnaround? First, the Portuguese government introduced the country's golden visa scheme, which was set up in 2012 to attract foreign investment. The latest figures, which record data

from October 2012 to January 2017 show that more than €2.7 billion was invested. But measures to spark Portugal's resurgence didn't stop with golden visas. Until 2012, the country's property laws had effectively legalised squatting – they were stacked so far in favour of tenants that it was impossible to evict those not paying rent. As a result, property owners were so lacking in incentives to invest, they were allowing buildings to fall into disrepair. No more was this evident than in the capital Lisbon, where grand buildings that date back to the country's glorious colonial past were slipping into decay. So this tenant protection was scrapped and a raft of tax incentive schemes were introduced to attract developers. The tide has begun to turn – especially in Lisbon.

Last year's edition of *Emerging Trends In Real Estate*, an annual report which evaluates the interest of real estate developers and professionals in a list of 28 European cities, placed Lisbon ninth in the top most attractive cities for investment purposes, positioning it above both London and Milan – so it's no wonder property prices in the Portuguese capital have gone up 30 per cent in the past three years with short-term letting yields of five to seven per cent thanks to a boom in tourism (the Airbnb market in the city is growing 15 per cent a year) and long term yields of four to five per cent. Amid the upturn, Lisbon is rapidly emerging as a tech hub, a European rival to Silicon Valley with all the major players such as Google and Facebook setting up offices in the city to exploit the cheap commercial real estate and the educated workforce. They also see the city as the ideal link between the US, South America, Africa and Europe. There is no doubt that Portugal's position on the western edge of Europe is also helping its resurgence for another reason. Developers there openly admit that it is an uncertain times such as this it is an advantage to be 'distant from the centre of confusion'. It is also notable that since the terror attacks in Turkey, foreign investors are seeking to move their money out of property in that troubled country to a safe and secure alternative and Portugal certainly fits this bill.

CAPUCHOS In the prestigious Avenida Da Liberdade – Lisbon's equivalent of Regent Street – Capuchos is a collection of eight renovated properties ranging in size from one to four bedrooms. They are priced from €595,000 to €890,000. athenadvisers.com



Remaking history: Santa Helena Palace is being turned into luxurious homes

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SANTA HELENA PALACE Stone Capital's Santa Helena Palace apartments will offer a luxurious slice of Lisbon life at its most authentic. The 21 properties are housed in a 16th-century palace at the top of Alfama, the oldest part of the city. The palace is being sensitively restored and modernised and Stone describes the development as 'the most significant restoration of a period building since Lisbon's recent wave of regeneration began'. Twelve apartments remain unsold and range in size from one bedroom to five bedrooms, from €650,000. athenadvisers.com

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Portugal is on an upward curve

AMONG the pioneering firms driving the Portuguese capital's property boom is French outfit Stone Capital. Its founding partner Arthur Moreno arrived in Lisbon from Paris in the early 2000s and saw its potential. He says it was just a case of 'waiting' for the situation to change.

His patience paid off. After an initial project in 2011, Stone now has 25 restoration projects underway in the city. Moreno cites the Portuguese government's incentives for renovation – the country's equivalent of stamp duty is reimbursed to developers restoring old buildings and construction licences are granted more easily, for example – as being vital ingredients in this process.

He also insists that the upturn in the city is not a new-build boom but a redevelopment one, 'so it has less chance of becoming a bubble that bursts'. Meanwhile, Odeon Properties, is

converting an old theatre/cinema that dates back to the 19th-century – its upper floors were built in 1927 to create the cinema. The building is being converted into nine apartments, an office space and a restaurant – with the theatre stage and pit area preserved. Prices are yet to be released.

A spokesman for Athena Advisers, which is marketing Stone Capital and Odeon Properties in Lisbon, is playing down the likelihood of Brits seeking properties in the city for golden visas – though he says it could be an added bonus. He also points to the attractive tax breaks for Brits living in Portugal, as nearly all foreign sources of income are exempt from tax in Portugal. He said: 'Right now, with Brexit, everything is on the table, so a future British appetite in Portugal's golden visa programme is possible. 'Creating a prohibitive structure that would render Brits to non-EU status with travel and real estate would be very counter-productive.'

