



Photographer: Rodrigo Cardoso

PROPERTY / PORTUGAL

Hot property

- Lisbon's housing boom
- Large French investment

The Portuguese property market has been one of the biggest success stories in Europe in recent times; after an age in the doldrums it has been booming for the past two years. And although buyers from across the continent are cashing in, it's France that is having the biggest impact. Last year French investors overtook the British as the biggest overseas property buyers in the country, representing more than a quarter of foreign investment.

The numbers are most pronounced in the capital. "In the first six months of this year we saw a 39 per cent increase in French clients buying in Lisbon compared to 2016," says Roman Carel, co-founder of property consultant Athena Advisors. Buyers include individuals, families and the likes of French media magnate Claude Berda who, according to reports, plans to invest €450m in the country and has already bought 10 buildings in Lisbon, a resort in the Algarve and 350 hectares in the beach town of Comporta.

Yet the French aren't simply buying up apartments in Lisbon: they're building them. French developers, including Odeon Properties and Stone Capital, have set up in the Portuguese capital and are helping to transform and improve the city – while making money, of course. Like the French investors, the primary driver for them has been tax. Portugal's Non Habitual Residence

scheme, which offers people moving to Portugal for the first time reduced tax rates or tax exemption for 10 years, is credited with attracting the highly taxed French.

So could the fact that France's newly elected president Emmanuel Macron has promised to significantly reduce taxes at home have an impact on Lisbon and its French backers? "Before he was elected I think a lot of French people were choosing to come here for the tax breaks; it'll be interesting to see if the trend will continue now that he's in power," says Julien Dufour, managing partner of Odeon Properties.

But other factors remain loaded in Portugal's favour. With a growing threat of terrorism, Macron's cut to military spending might add to French jitters. "For a lot of people Paris doesn't feel like a safe place to live at the moment," says Dufour. Arthur Moreno, co-founder of Stone Capital, agrees: "There are security issues within France. And some of the destinations that were natural French markets in the past, such as Morocco and Tunisia, have also become more complicated places in which to live."

Longstanding cultural links are also likely to continue to attract French investors. "There has historically been a strong friendship between Portugal and France," says Moreno. "Until the 1980s, French was the second language in Portugal and we are culturally and politically close. And people here are open to us: they appreciate French culture. Portugal has the same values, the same currency and a great lifestyle. I think the rate of growth will slow but we will still see French people moving here." **Trish Lorenz**

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Clockwise from top left: Odeon Cinema; Julien Dufour, managing partner of Odeon Properties; apartment renovated by Stone Capital; looking south towards the 25 de Abril Bridge; refreshed building façade courtesy of Stone Capital