

# Before you buy land or property in Portugal

By & copyright to Steve Robinson

11<sup>th</sup> September 2023

Land in Portugal falls under a variety of designations such as 'Urbano' 'Rustico' & 'Touristico' etc & to complicate matters even further, some also have sub categories & it is the designation & sub category that dictates what can be done on any particular parcel of land.

This info piece will cover the most important categories (only) but be aware there are several others, each with their own separate criteria of what can/cannot be used for & what structures can/cannot be built on it.

It is not at all unusual for some unscrupulous sellers and/or agents to blatantly lie to potential buyers about land designations & what can/cannot be done on them but the truth is that Portugal has very strict criteria about what can be done on/to an individual parcel of land and the only way for you to be absolutely 100% sure about what is & is not permitted is to go along to the appropriate Camara (Town Hall) and ask the planning department staff about the exact structure you want to build on the exact property or piece of land you're interested in.

Urbano is urban land & it can be used for human habitation and may well already have a house or ruin on it & if it doesn't then you can apply for and probably will get planning permission to build a house on it & if it has a ruin then you might be able to extend the original footprint of the structure & only a set percentage of the footprint as designated by the planning department of that area.

Also some properties that were built pre 1951 may be exempt from the requirement of having a habitation licence but note that does not mean you can live in it if it is not on land designated as urbano/urban.

Rustico is rustic land that can be used to grow agricultural crops, keep agricultural animals and (subject to planning permission) you can build things such as animal predator proof night shelters & storage buildings for agricultural equipment etc and even then, usually only on a defined percentage of the land size but you cannot usually have any human habitation on it at all..... not even on a temporary basis or (despite common myth) buildings without foundations and/or movable etc.

Touristico land can be used for tourism but you may well be expected to at least build shower & toilet blocks etc if you intend to use it for yurts or similar & be warned that even if the land is designated as Touristico you may be restricted in building such toilet blocks if neighbours have a well or borehole nearby as you might pollute their water source.

if you want to get into the business of any kind of short term holiday lets or similar you might like to check the situation with regards to Alojamento Local (short term rental) licences & you can do that by consulting your local Camara/town Hall as well & you might also like to read the info piece in the files entitled 'Alojamento Local Guide'.

**Also note that some properties on some land designations may very possibly be restricted as to what (if any) electricity and/or water supplies might be permitted.**

Whilst it is not impossible to change designations it's not usually easy or cheap & in most cases, probably not worth the hassle simply because there is so much land for sale that already has the designation you need.

This video might shed some light on what you can/can't do & should/shouldn't do with regard to permanent & temporary homes on land with the various classifications etc.

<https://www.youtube.com/watch?v=yG6dSiQcFj4&feature=youtu.be>

This link is an example of what can happen if you build or live on land with the wrong designation:

<http://portugalresident.com/expat-families-mobilise-against-bombshell-threat-of-eviction-in-western-algarve>

These 3 links all give details of land/house/licencing laws etc:

[http://www.pgdlisboa.pt/leis/lei\\_mostra\\_articulado.php?nid=625&tabela=leis&so\\_miolo=https://bdjur.almedina.net/register.php?jump=%2Fitem.php%3Ffield%3Dnode\\_id%26value%3D1146930](http://www.pgdlisboa.pt/leis/lei_mostra_articulado.php?nid=625&tabela=leis&so_miolo=https://bdjur.almedina.net/register.php?jump=%2Fitem.php%3Ffield%3Dnode_id%26value%3D1146930)

<https://dre.pt/pesquisa/-/search/618126/details/maximized>

This link will give you an idea of land/property prices by area:

<https://www.jornaldenegocios.pt/empresas/imobiliario/detalhe/mapa-os-precos-das-casas-em-todos-os-concelhos-de-130-euros-em-pampilhosa-a-2753-euros-em-lisboa?fbclid=IwAR1gLkIsErCqCzxE3CD8OhX6n4yAmcdV91SRQCcXiMzZ4FpEFO LT7HM oE>

Some associated property costs are fixed whilst others are variable so you need to ask your lawyer to tell you exact costs for that particular property before you commit to any purchase & at the time of writing the Property tax aka IMT is calculated on a sliding scale, stamp tax is 0.8% plus deeds and registry costs & you should expect to pay a total of 8-10% of the property cost.

Your lawyer will (or at least should) check that all the necessary documentation is valid & the property has all the correct permissions etc, as will the notary where the deeds are signed & be VERY sure to always use an independent lawyer of your own choosing & never use one recommended by the seller or agent & also be sure to read Correct Process Of Buying Property In Portugal in the files section.

Please note, links tend to go out of date from time to time so if you find any inactive links you might need to ask that nice Mr Google to find you more up to date links.

**Note** that the world of estate agents/real estate is often filled with sharks so never even consider buying a property online or that you haven't seen with your own eyes as it's not uncommon for website photographs to be (at least) several years out of date & it has been known for online buyers to discover at the last moment the liveable house they thought they were buying was, in reality a ruin. Another trick is for the agent to ask for a large deposit to 'take the property off the market' or for a payment from the buyer to make an offer to the seller & these (not uncommon) practices are nothing short of a scam & very often illegal & there have been a number of examples of that payment to mysteriously disappear along with the individual the money was paid to.

Yet another (usually online) con is to tell the remote buyer that the property has been sold & then the sale fallen through & the property unexpectedly back on the market & an increased offer of ABC thousand Euros will secure the purchase & some of these increased payment suggestions have been in excess of €100k.

When such tricks/cons occur they pretty much always happen when the company you are dealing with are one of the larger franchise companies who often take any Tom, Dick or Harry off the street & offer them some kind of no salary/split commission deals which of course results in said Tom Dick or Harry being desperate to make money & ends meet & will therefore deliberately mislead the buyer any time they can.

So be warned to watch out for such practices & my advice would be to only ever deal with the small, family run estate agencies as they care an awful lot more about their reputation & are

MUCH more likely to deal openly, honestly & ethically with buyers but even then bear in mind that they're working for the seller not the buyer & whilst the buyer should ALWAYS use a lawyer to handle the purchase they should NEVER use a lawyer recommended by the seller or agent & NEVER commit to anything or part with a single cent until your lawyer tells you it's safe to do so.

It's not uncommon for there to be disputes over land boundaries & there are a number of reasons for this not least amongst them is the inheritance laws of Portugal are (to put it politely) confusingly complicated & made worse by the fact that a significant percentage of the population have moved to other (mostly Schengen Zone) countries in recent decades which has resulted in the land ownership records being woefully out of date & this is made worse by the old habit of 'moving the stones' which is where one person will sell a piece of land to a neighbour or someone else on a handshake & cash payment & then the land ownership stones moved accordingly to simply avoid paying the Notary & land registration fees but the problem with this is if one party dies and/or any receipt (if it ever existed) lost then there will very possibly result in a long term ownership dispute..... I have on several occasions been offered this type of deal & always decline it & I suggest you do the same if a similar deal is offered to you.

Also be warned that when looking for a property that you intend to grow crops of any kind on that whilst it's possible to grow fabulous crops here, the heat means you need to use a LOT of water & this in turn means you need to look for properties that have free water sources such as wells, water mines or similar & if you intend to keep livestock of any kind that you need to contain or protect from predators or (come to that) if you intend to grow crops that will need protecting from the ravages of wild boar and/or deer that you'd be well advised to look for properties that were either extremely well walled or fenced as walls & even fences are obscenely expensive here & even a properly constructed 1.5 metre chain link fence can easily cost €35-45 per metre & a simple roll of plastic coated fence can easily cost in excess of €90 + 23% IVA & a 2 metre fence with overhang, barbed wire & electric fence can cost close to twice that figure.

#### Water & Boreholes:

Some older properties are not connected to mains water & rely on either boreholes or wells & if these are your only water sources then be sure to have the water tested sporadically to ensure you have no contamination. However, this is slightly less important if using the water for crops only & on the subject of boreholes, they are wonderful things until they go wrong & when (not if) they do, they become the spawn of the devil & pulling a borehole is almost guaranteed to be an absolute nightmare..... but there is an easy cure to be found in the rules of physics & those rules are never wrong.

Start by building two A frames joined together near but not right at the top with a simple shear lash knot & lean one against the other so the top parts of the crossed poles interlock & then hang an appropriately sized shackle from the top of those crossed poles. Then attach a chain to the shackle & that structure is known as a capstan & it gives you the fixed point above the object you need to lift or pull.

Then attach a simple block & tackle to the end of the chain & use as many blocks & turns of tackle as you need but in pretty much all cases a 3 ring block should be sufficient & will give a lift or pull of 6 to 1 ratio. Then attach the lower shackle to the pipe you want to pull or object you want to lift & pull either by hand or a winch such as are often on the front of 4x4s or ATVs.

That might sound overly complicated or confusing to those who have never had to use such kit but the principle has been around since almost forever & once you suss it out it becomes stupidly easy & if unsure of doing it then you can always watch a few youtube tutorials on how to build a capstan & use a block & tackle and how to use a winch properly..... and my final tip on that is not to put a steel winch cable through a block or a snatch block & better to use good rope throughout & only connect the winch cable at the very end of the rope..... Oh & bear in mind the rope & winch cable can store a LOT of energy so always ensure all equipment is in

good order & also put weighted bag about one third & two thirds along the cables & ropes that are anywhere near people or animals as a safety precaution.

### NEWSFLASH NEWSFLASH NEWSFLASH

At the time of writing Government is introducing a variety of grants aimed at improving energy efficiency many of which will be funded by the 'Environmental Fund' & I'd expect these to require individual applications & availability probably to depend on a number of factors such as area, age & condition of building & exact intended purpose so look at the links below & ask that nice Mr Google for more up to date information on the Portugal Environmental Fund.

[https://www.fundoambiental.pt/avisos-2020/mitigacao-das-alteracoes-climaticas/programa-de-apoio-a-edificios-mais-sustentaveis.aspx?fbclid=IwAR2tf0NvufMGI1kRD\\_iXPP5OIklzL-XkQstDKcurmGYEU0Lyu\\_mLdq2eiHqA](https://www.fundoambiental.pt/avisos-2020/mitigacao-das-alteracoes-climaticas/programa-de-apoio-a-edificios-mais-sustentaveis.aspx?fbclid=IwAR2tf0NvufMGI1kRD_iXPP5OIklzL-XkQstDKcurmGYEU0Lyu_mLdq2eiHqA)

[https://www.diarioluso.com/casa-anterior-ao-ano-2006?utm\\_source=cv&fbclid=IwAR06\\_l893k0O1yzf4ZxDXUPRIM\\_ttuu\\_n6g6IXRsz4lCouJ8O25A0EAonQ](https://www.diarioluso.com/casa-anterior-ao-ano-2006?utm_source=cv&fbclid=IwAR06_l893k0O1yzf4ZxDXUPRIM_ttuu_n6g6IXRsz4lCouJ8O25A0EAonQ)

<https://www.resourceefficient.eu/en/support-programme/environmental-fund-portugal>

<https://eeagrants.org/countries/portugal>

[https://ec.europa.eu/environment/eir/pdf/report\\_pt\\_en.pdf](https://ec.europa.eu/environment/eir/pdf/report_pt_en.pdf)

### NEWSFLASH NEWSFLASH NEWSFLASH

At the time of writing, there are a few timeshare & similar type schemes floating around (mostly) where permanent & non permanent accommodations are (often) being offered on a cooperative or similar purchase basis & at least some of these are on land of the wrong designation and/or will have a number of other inherent problems such as inheritance should the owner die and/or pollution issues that might be caused by a lack of sewerage treatment facilities and/or simply caused by the advertisers not knowing what they're doing & not understanding Portuguese land ownership & usage laws etc. **so be warned that if it looks too good to be true..... it probably is just that!**

In closing, remember that the migration journey becomes a lot easier if you take it one step at a time & conquer each challenge as you encounter it but if you feel it is all too daunting for you then read 'Operation Payback Or How To Navigate The Immigration Minefield' in the files as it might be of immense help to you.