



Balancing residency and returns in international real estate investment: Opportunities in Portugal



OFFSHORE WEALTH VIRTUAL SUMMIT

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Portugal
SENIOR LIVING

Portugal: blockbuster option for residency

1. The fundamentals:
 1. 2nd best country at integrating expats
 2. 4th safest country
 3. 12th best healthcare, up to 90% cheaper than US, for example
 4. World's 6th most powerful passport (for those who choose citizenship)
 5. Cheap public transportation, ease of travel and connectivity (air, rail, road)
2. Euro: a stable currency used by around 450 million people.
Exchange rate: August 2021 USD : EUR rate the same as August 2017
3. The Awards
 1. Top 10 Best Places to live in the world
 2. Best Place in the World to Retire, 9 years in a row
 3. Among top 10 places for Americans to Live and Work, in the world
 4. World's best beach destination, best golfing destination, best marina location, Europe's best city break destination, conference destination and many more...
4. Lowest cost of living in W. Europe: with the exception of housing and fuel/gas/electricity
5. Attractiveness to retirees: including the income-based D7 residency visa and Golden Visa
6. Low (0-10%) tax programmes such as Non Habitual Residency (NHR)
7. The ability to rent OR buy to access many of the residency and tax programs

Why the Algarve?



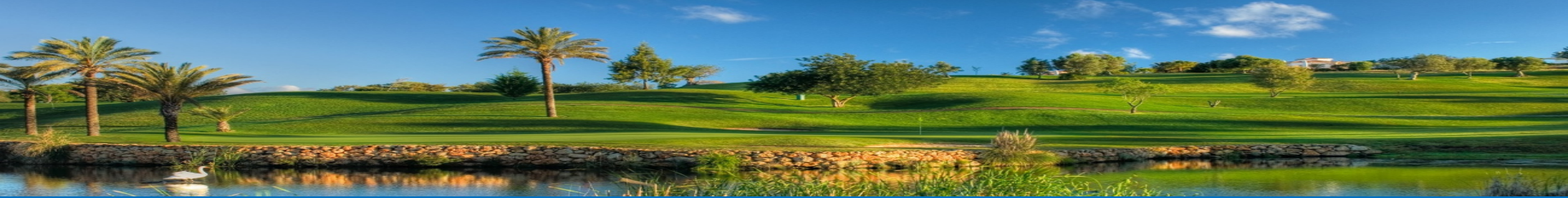
- Voted the Best Place in the World to Retire, 9 years in a row
- Voted among Europe's Top 10 places to live for American expats to live, work and invest
- Some of the best beaches, golf courses and marinas in the world
- Existing multinational expatriate population. English very widely spoken
- Food and wine among best and freshest in the world. Largest fish consumer in Europe
- Attractive and well-priced real estate. Algarve much less developed than Spain
- Many sporting, nature, historical attractions and activities
- A high degree of anonymity and respect for privacy
- Is the Algarve Europe's most famous secret? 8.5 million a year visit it, pre-Covid. Now, a quiet and safe place due to generally low travel numbers



Golden Visa as residency solution



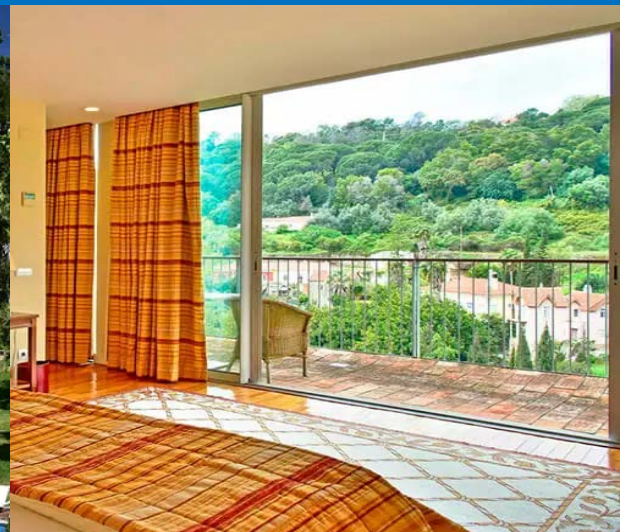
- Golden Visa program will end for residential properties in high density areas, on Dec 31, 2021
- Four Golden Visa categories:
 - €280K, €350K, €400K, €500K
 - Depend essentially on location
- Where should new Golden Visa buyers be considering?
 - €280K in more popular regions such as the Algarve where demand is highest (notwithstanding that it will be in a low density area) : also cheaper than investing in a fund
 - €400K low density on the coast: limited opportunities but could represent capital appreciation
 - €500K high density areas: “clean” and quick options
- What to avoid
 - €350K (refurbishment, 30 years old, in ARU) in high density areas: requires detailed documentation and time too short
 - High density historical areas: either GV-overpriced OR within area where short-term rentals are not allowed
 - Projects with guaranteed buy-back (unless backed by a real guarantee such as insurance policy, or first charge/lien – a contract is not sufficient security)

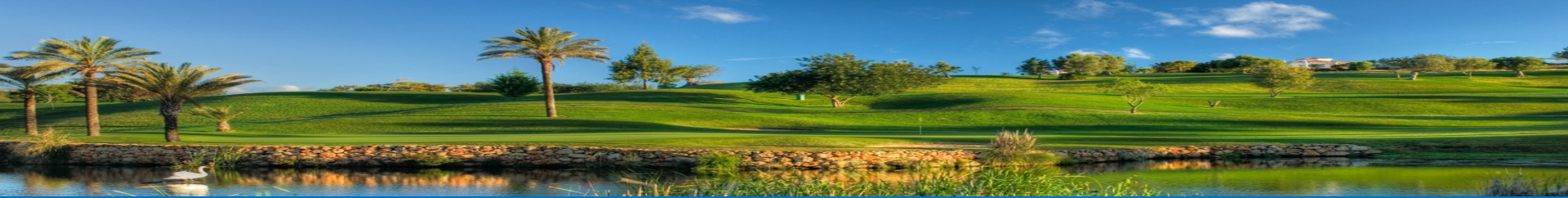


€280K low density inland



1. FOCUS: CHEAPEST PRICE
2. Among the cheapest GV in Europe
3. Located within existing hotel project with track revenue and revenue
4. Fixed income (3% rising to 5%) for 5 years
5. Personal use including ability to stay in other locations for value up to €1500 per annum
6. Possibility to resell to another GV investor if program in place in 5 years





€400K *low density coastal*



1. FOCUS: RENTAL HISTORY
VALUE FOR MONEY,
POTENTIAL GROWTH
2. Built properties with
history of rental revenue
3. Realistic annual gross
yield of 5-6.5% p.a.
4. Golf course and beach
locations, 15 minutes
from major towns,
international schools
5. 2 property strategy (may
require spending a little
more) to balance risk
6. Possible to resell to
another GV investor if
program exists in 5 years



***Development upside: de-risked project,
fully approved project, fully licensed***



6,240 m² plot

Largest urban plot close to beach

38 1 and 2 bedroomed apartments

An extensive range of on-site amenities

Landscaped gardens and outdoor spaces

Construction license issued, expected completion 2023



COMBINING FUTURE RESIDENCE WITH INVESTMENT: POTENTIAL 27% ROI



- Prices from €275,000
- INVESTOR OFFER: after completion, developer will resell your unit, and after deducting the remaining 40% from the sales proceed, profits are shared 60-40% in favor of investor
- **An example in numbers :**
 - Apartment price: €275,000 (\$323,675)
 - Reservation: €10,000 (\$11,770)
 - 10% (less reservation) on promissory contract: €17,500 (\$20,598)
 - 5 stage payments of 10% (€27,500/\$32,368) each, spread over 2 years
 - 40% (€110,000/\$129,470) deferred until resale
 - **AVERAGE investment over 2 year period: €110,000 (\$129,470)**
 - If apartment is resold for €325,000, you will earn $60\% * (\text{€}325,000 - \text{€}275,000) = \text{€}30,000$ (\$35,310)
 - This would be a 27.2% return on your capital invested ($\text{\$}35,310 / \text{\$}129,470$)
 - Renting out will deliver a 5%+ gross yield, or investors can decide to reside

For more information



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