



## Before you get the keys, you'll need to pay the fees

### Purchase costs

A variety of fees are payable when you buy a property in Portugal - we recommend you budget 10% of your agreed purchase price to cover these, although in most cases it will be lower than this.

The costs vary depending on the purchase price, type of property and whether it will be your primary or secondary residence in Portugal.

The fees payable when buying a property in Portugal are:

- Transfer tax - IMT
- Stamp duty
- [Notary](#) fees
- [Lawyer](#) fees
- Land registry
- [Mortgage](#) fees - if applicable
- Surveyor fees - optional

Note that transfer tax (IMT), notary and land registration fees are not applicable when buying a property which is held [off shore](#).

### Transfer tax – IMT

The transfer tax is based on the purchase price or patrimonial value (assessed value) of the property - whichever is the higher. IMT is calculated using the following rates and is payable at the local tax office just before the final deed:

### IMT for permanent residence

Purchase price in €	Percentage applied	Amount deducted from %
Up to €92,407	0%	€0
€92,407 to €126,403	2%	€1,848.14
€126,403 to €172,348	5%	€5,640.23
€172,348 to €287,213	7%	€9,087.19
€287,213 to €574,323	8%	€11,959.32
Above €574,323	6%	€0



## IMT for secondary residence

Purchase price in €	Percentage applied	Amount deducted from %
Up to €92,407	1%	€0
€92,407 to €126,403	2%	€924.07
€126,403 to €172,348	5%	€4,716.16
€172,348 to €287,213	7%	€8,163.12
€287,213 to €574,323	8%	€11,035.25
Above €574,323	6%	€0

For rural land a flat rate of 5% is applied, for other purchases such as a commercial property or building plot then a flat rate of 6.5% is applied.

## Stamp duty

You are required to pay stamp duty when purchasing a property in Portugal - unlike other countries the stamp duty is one of the lowest priced taxes you will pay. The rate of **stamp duty is calculated at 0.8%** of the purchase price. Stamp duty must be paid at the local tax office prior to signing the final deeds.

Corporate property ownership transactions do not pay stamp duty.<sup>[1][SEP]</sup>

## Land Registry

When purchasing property you must have the change of ownership recorded at the Land Registry. Its main purpose is to gather information on the legal status of the property as well as provide protection for transactions involving it. Every activity related to property titles must be recorded in the Land Registry that has jurisdiction over the area where the property is located. Your [lawyer](#) will do this on your behalf.

Once the transaction has been recorded at the Land Registry, it is legally binding on third persons - this means that other people have to respect your right over the property.

## Notary fees

You cannot become the lawful owner of a property without engaging in the services of a [notary](#). For the purchase to be legally binding your title deeds must be signed in the presence of a notary, who then legalises the document with their own signature and formal stamp.

Notaries are highly trained lawyers who have qualified to draft and legalise a range of private contracts and transactions within the Portuguese legal system. Their status equates to that of a public official and they collect taxes on behalf of the state.

Their fees are regulated and together with land registry fees are typically **€1,000 - €1,500**.



## Lawyers fees

Choose a lawyer who specialises in property law and ask them to confirm the services they will provide and their legal costs in writing before you instruct them. Depending on how much or little you want your lawyer to do for you **legal costs are usually 1% - 1.25% of the purchase price**. We highly recommend instructing your lawyer to cover all bases and do everything for you as it is the safest way to proceed.

Legal fees are normally paid in two parts, half at the promissory contract stage and half on completion of the deeds.

## Surveyor's fees

In order to make sure that the property of your dreams will stand the test of time we recommend that you obtain a building survey. This will detail the standard and quality of build, as well as any faults and defects in the construction - avoiding unpleasant and possibly expensive surprises after purchase.

The survey includes an inspection and full written report including a structural appraisal of the building, faults and defects in the non-structural components of the building, a description of the accommodation, analysis of built areas, a damp survey and appraisal of the services.

This report also helps to assist your lawyer to identify any planning illegalities within the property. Under Portuguese law the owner of a property is responsible for any illegal parts of the structure, even if those works were carried out by previous owners.

Prices for a survey for an apartment, small **villa or townhouse are approximately €300, for a larger villa €500**.

Below are tables showing the value of the purchase costs you will pay when buying a property in Portugal.

## Purchase costs for a property used as a permanent residence

Purchase price	€175,000	€275,000	€350,000	€500,000	€750,000	€1,000,000	€2,000,000
<b>Transfer tax</b>							
€126,403 - €172,348 5% less €5,640.23	-	-	-	-	-	-	-
€172,348 - €287,213 7% less €9,087.19	€3,162.81	€10,162.81	-	-	-	-	-
€287,213 - €574,323 8% less €11,959.32	-	-	€16,040.68	€28,040.68	-	-	-
Above €574,323 flat rate of 6%	-	-	-	-	€45,000	€60,000	€120,000
<b>Stamp duty 0.8%</b>	€1,400	€2,200	€2,800	€4,000	€6,000	€8,000	€16,000
<b>Lawyer fees 1.25%</b>	€2,187.50	€3,437.50	€4,375	€6,250	€9,375	€12,500	€25,000
<b>Notary &amp; Land registry</b>	€1,500	€1,500	€1,500	€1,500	€1,500	€1,500	€1,500
<b>Total</b>	<b>€8,250.31</b>	<b>€17,300.31</b>	<b>€24,715.68</b>	<b>€39,790.68</b>	<b>€61,875</b>	<b>€82,000</b>	<b>€162,500</b>
<b>% of purchase price</b>	<b>4.71%</b>	<b>6.29%</b>	<b>7.06%</b>	<b>7.96%</b>	<b>8.25%</b>	<b>8.2%</b>	<b>8.13%</b>



## Purchase costs for a property used as a secondary residence

Purchase price	€175,000	€275,000	€350,000	€500,000	€750,000	€1,000,000	€2,000,000
<b>Transfer tax</b>							
€126,403 - €172,348 5% less €4,716.16	-	-	-	-	-	-	-
€172,348 - €287,213 7% less €8,163.12	€4,086.88	€11,086.88	-	-	-	-	-
€287,213 - €574,323 8% less €11,035.25	-	-	€16,964.75	€28,964.75	-	-	-
Above €574,323 flat rate of 6%	-	-	-	-	€45,000	€60,000	€120,000
<b>Stamp duty 0.8%</b>	€1,400	€2,200	€2,800	€4,000	€6,000	€8,000	€16,000
<b>Lawyer fees 1.25%</b>	€2,187.50	€3,437.50	€4,375	€6,250	€9,375	€12,500	€25,000
<b>Notary &amp; Land registry</b>	€1,500	€1,500	€1,500	€1,500	€1,500	€1,500	€1,500
<b>Total</b>	<b>€9,174.38</b>	<b>€18,224.38</b>	<b>€25,639.75</b>	<b>€40,714.75</b>	<b>€61,875</b>	<b>€82,000</b>	<b>€162,500</b>
<b>% of purchase price</b>	<b>5.24%</b>	<b>6.63%</b>	<b>7.33%</b>	<b>8.14%</b>	<b>8.25%</b>	<b>8.2%</b>	<b>8.13%</b>

***Tax rates may change. Any statements concerning taxation are based upon our understanding of the current taxation laws and practices - which are subject to change.***