



## FOR SPAIN AND PORTUGAL REAL ESTATE MEANS REAL RECOVERY

Invest in Spain and Portugal now? It's a pertinent question. Many real estate investors are wondering at this point if the time is right to enter the Spanish and/ or Portuguese markets and whether the opportunities are there. Let's take a look at some of the headlines we've been seeing in the press just in the last month:

- *2014 marks the second best year of all time in real estate investment in Spain with a volume of € 7 billion.*
- *Mexican investor buys building in Madrid centre with 4,600 m2 for € 21 million.*
- *Last plot of land in the prime borough of Salamanca (Madrid) sold for € 120 million.*
- *Owner of Zara buys building in Madrid with 36,000 m2 for € 400 million.*
- *New urban project for Madrid will represent an investment of € 6 billion spread over 20 years.*
- *2014 investment in commercial real estate in Portugal reaches € 715 million, +130% from 2013.*
- *Thai group Minor will buy 4 hotels of the Tivoli Group in Portugal.*
- *Rents for commercial street space have reached record numbers in Portugal in 2014.*

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If the proof is in the pudding, then this one's quite rich! Several circumstances help to better understand the present situation: (i) prices are close to bottoming out; (ii) banks are now lending and lowering lending costs; and (iii) both economies are recovering, thanks to the reform programs, the drop of oil prices and a declining euro. While these markets may not be for everyone, they are definitely worth investigating, better sooner than later.

When the choice has been made and the financing secured, it's time to take care of all the legal issues. Those who would like to add Spanish/ Portuguese real estate to their portfolio should consider the ten following legal tips:

- There are no restrictions for foreign investors;
- Get the conveyancing work done: make sure you get what you buy;
- When it comes to taxes plan ahead: transfer tax and stamp duty vary amongst Spanish regions;
- Analyze the tax implications of being a non resident vs. resident;
- Structure your investment: consider different corporate vehicles;
- A notary is always mandatory in Spain; in Portugal property can be transferred

by private agreement, but it's best to play it safe and have a notary draw the deed;

- Don't forget the added bonus of a Golden Visa: an investment of € 500,000 is enough to qualify;
- Golden Visa gives you access to the Schengen area and the possibility to reunite qualifying family members;
- If you'd like to apply for a Golden Visa make sure the application is filed timely;
- If your investment comes with tenants, you will have to check out the terms of the lease first.

Ask us how Antonio Viñal & Co. Abogados can help you with your real estate investment. Simply contact your nearest office and we'll be happy to go through the ten tips.



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