



## NEWSFLASH ON REAL ESTATE INVESTMENT IN SPAIN AND PORTUGAL

The Spanish and Portuguese real estate markets are in tune with the forecasts that announced a great 2015 for both of them. The following are the main reasons that support the fantastic numbers:

- Depreciated assets with huge potential for revaluation;
- The 12 month Euribor interest rate is still decreasing and now stands at just 0.165%;
- The depreciation of the euro has given many investors more bang for their buck;
- Local banks are back to lending

at lower rates;

- Record breaking figures for the tourism and hospitality industries;
- Attractive Golden Visa programs for non-EU nationals;
- Beneficial tax regimes for new tax residents;
- Competitive REIT regime in Spain;
- Tax benefits for foreign pensioners in Portugal.

To illustrate the current situation we've selected some legal and market news from the past month:

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### SPAIN

- Expected amendments in the Spanish Golden Visa program will allow:
  - (i) renovations every 5 years (as opposed to every 2 years);
  - (ii) the obtaining of a provisional 6-month visa to complete the purchase of real estate.
- The Ministry of Development has announced that housing prices remain stable at € 1,457.90 per sqm. The Canary Islands and the regions of Aragon and Madrid have shown the strongest year-on-year increase.
- The Spanish economy grew 1.1% during the first quarter, which means it will surpass the 3% mark by the end of the year.
- JLL has estimated a year-on-year growth of 189% in direct investment

in commercial assets (€ 8,790 million in 2014).

- Spain takes the n° 1 spot in the World Economic Forum's 2015 Global Travel & Tourism Competitiveness Index.
- The MasterCard Global Muslim Travel Index has ranked Spain at n° 9 amongst non-OIC destinations, which makes Spain a Muslim-friendly tourism destination.
- According to the Mastercard Global Destinations Cities Index:
  - (i) Barcelona ranks n° 12 globally in number of visitors with 7.63 million;
  - (ii) Barcelona rises to n° 6 when it comes to tourism expenditure (€ 12,639 million estimated for 2015) and Madrid comes in at n° 15 (€ 6,530 million estimated for 2015).



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### **PORTUGAL**

- Expected amendments in the Portuguese Golden Visa program will allow to apply for the visa:

- (i) when purchasing and refurbishing real estate for a total amount of € 350,000;

- (ii) when investing € 350,000 in scientific activities or cultural and artistic production.

- Investment in real estate in the Lisbon Metropolitan Area seems like

good business: housing prices have gone up 8.6% in the first months of 2015 year-on-year.

- Portugal ranks nº 15 in the World Economic Forum's 2015 Global Travel & Tourism Competitiveness Index.

- According to CBRE, real estate investment in Portugal has already surpassed € 800 million before the half year mark (the total for 2014 was € 867 million and € 305 million for 2013).



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