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Portugal Real Estate a Key Asset for 2015

[Portugal](#), [Investment](#), [Currency Exchange](#), [Economic inShare](#)³⁴

Portugal has been through the mill economically since the financial crisis culminating in 2010 when the government agreed to a massive EU bailout of €78bn.

The ensuing years have seen Portugal slowly responding to its government's austerity measures including tax hikes and reduced public spending, with the green shoots of recovery most visible in the country's property market.

After collapsing more than 30% in value since 2007, Portuguese real estate showed significant signs of rebound in 2014, led by increased interest from foreign investors.

According to data from the [Portuguese Real Estate Agents Association](#) (PREA), residential property prices increased between 9% and 15% nationally in 2014, boosted by heightened investor sentiment. British buyers led the charge, followed by the Chinese and the French.

Chinese investors have shown increased interest in [Portugal's property](#) market since the introduction of its Golden Visa scheme which grants residency status for non-EU investments in real estate. Revenues from Golden Visa purchases contributed an estimated €1.2bn to Portugal's economy in 2014.

Increased tourism across the Eurozone in 2014 has boosted demand for real estate, particularly in resort regions such as Portugal's Algarve. With the pound enjoying a period of relative strength, it is expected that there will be a further surge in investment interest from British buyers in 2015.

According to the Organisation for Economic Co-operation and Development (OECD), housing markets in Italy, Greece, Portugal and Germany are currently undervalued. Data has been drawn from two main measurements: a price-to-rent ratio which measures the profitability of owning a house compared with the long-run average and the second ratio plots price against wages.

Liam Bailey of Knight Frank said: "*There is a growing sense that prices are low by historical standards and that there is considerable upside for early investors moving into these markets*".

Given the strong fundamentals of Portugal's property market, there is a positive outlook for growth during 2015, likely to be driven by foreign investment and buoyed by increased tourist demand.