
Buy Now or Wait

Buyers stuck on the timing decision

TL;DR

- Macro timing is noise; your specific property, price, hold horizon and worst-case survival plan are the signal.
- Use the 5-question framework: 4–5 yes = buy, 2–3 yes = wait constructively, 0–1 yes = renting is the right answer.
- Across plausible 2026–2031 scenarios, buying beats waiting in 3 of 4 — but only if you actually pass the framework.

Key 2026 stat. Portugal's full-year 2025 median transaction price was €2,076/m², +16.8% YoY (INE, April 2026). Euribor 6M sat at 2.548% on 13 May 2026 — well above the 1.9% Banco de Portugal had projected eighteen months earlier. The two numbers, together, are why this guide exists.

Introduction: The Most Asked Question Has No Universal Answer

Every real estate agent, mortgage broker, and tax advisor working in Portugal hears the same question every week: "Should I buy now, or should I wait?"

It is the most-asked, most-Googleed, most-agonised-over question in residential property — and the one with the most useless answers floating around the internet. Half the articles will tell you "now is always the right time" (usually written by someone who sells houses). The other half will tell you "wait, the bubble is about to burst" (usually written by someone with no skin in the game).

The honest answer is harder and far more useful: **there is no universal answer**. There is only a structured way to think about it that fits your specific cash position, life stage, target market, and risk tolerance.

This guide gives you that structure. It is built on the Portuguese market as of May 2026, on published data from INE, Banco de Portugal, the ECB, CBRE, JLL and idealista. By the end you will have a five-question checklist, four worked scenarios with full math, and a clear sense of whether your decision belongs in the "buy" pile, the "wait" pile, or the "do not buy at all" pile.

A warning: if you came here looking for permission to do what you already wanted to do, you will probably find it. Confirmation bias is the most expensive emotion in real estate. Read with the discipline to let the numbers change your mind.

Why "Buy Now" Frameworks Often Fail

Most timing frameworks fail for three reasons.

1. Real estate is local, not national

"House prices rose 16.8% year-on-year in 2025" is true and almost useless for a real buyer. It is a national average mixing TO studios in Bragança with five-bedroom villas in Quinta do Lago.

The reality is far more granular (INE 2025 medians):

- **Greater Lisbon** at €3,439/m², with the city itself around €4,813/m² for nationally-domiciled buyers and €6,026/m² for foreign-domiciled buyers.
- **Porto Metropolitan Area** at €2,305/m².
- **The Algarve** at €3,139/m² regionally, but spanning roughly €2,400/m² inland to over €11,000/m² in Quinta do Lago.

A "wait for prices to drop" thesis can be correct for Lisbon's super-prime segment and simultaneously wrong for mid-market Porto. National forecasts are noise; your micro-market is the signal.

2. Personal situation dominates macro

If your job is moving you to Lisbon, you have a baby on the way, and your landlord just raised your rent 6%, the macro call on Euribor matters very little. Conversely, if you are sitting in a rent-controlled flat from 2019 and just want a holiday home in Lagos, the macro call matters enormously, because every euro of timing risk is voluntary.

The first question is never "where are rates going" but "how mandatory is this purchase to my life right now?"

3. Forecasts are often wrong

Banco de Portugal's late-2024 projection had the 3-month Euribor averaging around 2.0% through 2026. As of 13 May 2026 it sits at 2.283%, the 6-month at 2.548%, the 12-month at 2.860%. Markets have moved from pricing cuts to pricing potential hikes; the December 2025 Reuters consensus expected no cut before end-2026.

The consensus from eighteen months ago was wrong by a non-trivial amount. That is the nature of forecasting. If you build your buy-or-wait decision on a single forecast, you are betting on accuracy that does not exist.

The Cost of Waiting (Quantified)

Most buyers underestimate the cost of waiting because the cost is invisible. There is no invoice for "twelve months of unrealised appreciation." Make it visible.

Reference case: €450,000 target in Lagos, 30% down (€135,000), €315,000 loan over 30 years at 3.8% TAEG.

Price appreciation you miss. At the 5%–8% pace forecast by CBRE and JLL for 2026, twelve months of waiting costs €22,500–€36,000 in lost appreciation — almost the full transaction cost of buying.

If the market goes flat (the bear case), waiting costs you nothing here. But "flat" has not happened in any major Portuguese sub-market since 2014.

Rent paid in the meantime. At €1,800/month, twelve months of waiting is €21,600 in dead money. Two years is €43,200. The old 2% cap on rent increases for new contracts has been removed, so new tenants negotiate at full market.

The mortgage rate you might lock now vs later. A 0.5 percentage point higher rate on €315,000 adds ~€85 to the monthly payment and ~€30,000 in total interest over 30 years. **But DL 74-A/2017 gives you near-free portability between banks** — early-repayment fees are capped at 0.5% for variable-rate loans, and many banks waive that fee on incoming transfers. Buy at 3.8% today, transfer at 3.2% in 2027 for €1,500–€3,000 in deed/registration costs. The locked-in rate is rarely a permanent prison. Locking a high rate is reversible (refinance down); missing a low rate is also reversible (refinance later). What is not reversible is missing the property at the price.

Inflation eroding purchasing power. At 2% inflation, €135,000 today is worth €132,300 in real terms in twelve months. Combined with appreciation, the real distance to ownership widens.

The Cost of Buying Too Early (Quantified)

The other side of the ledger.

Transaction costs of 5%–7% on entry plus exit. Buying costs in Portugal typically run 6%–8% (IMT, Stamp Duty, notary, registration, legal). On €450,000, that is €27,000–€36,000 at signing. Add 5% in selling fees five years later and the round-trip is over 11% of value. Any property you might exit within three years is almost mathematically a mistake unless prices appreciate strongly.

A 2026-specific wrinkle: under **Lei n.º 9-A/2026, de 6 de março** (the housing fiscal package; the *decreto-lei autorizado* arm promulgated 12 May 2026), non-residents pay a **flat 7.5% IMT** on residential acquisitions regardless of price — a flat application of the existing top-bracket rate. Five carve-outs apply, notably: refund if you become Portuguese tax resident within two years, or if you place the property on long-term rental at ≤€2,300/month within six months for at least 36 of the first 60 months. Until DR publication of the DL the flat rate is approved but not yet operational; treat as imminent and confirm at signing. If you are non-resident and outside the carve-outs, the flat 7.5% can add €15,000–€20,000 to a mid-market purchase versus the progressive scale.

Opportunity cost of capital. €135,000 down plus €30,000 in fees is €165,000 of tied-up capital. At a conservative 4% real return in global equities, that capital "should" earn ~€36,000 over five years compounded. You only win the timing if your property's after-cost appreciation beats that hurdle.

Lock-in to a location or property that may not fit. Five years is a long time. The Algarve villa that fits a couple now may feel small with two children. The Lisbon flat that suits a remote worker now may feel wrong if your job moves to Porto. Property is an expensive way to discover that life changes.

Locked into a rate that may drop. Refinancing has friction — paperwork, valuation, fees. Threshold of comfort is typically a 0.5–1.0 percentage point rate cut.

2026-Specific Inputs

Where are Algarve, Lisbon, Porto prices vs 12 months ago?

INE's April 2026 release (full-year 2025 data): Portugal median at **€2,076/m², +16.8% YoY**. Idealista's separate asking-price index reported a +10.8% YoY rise reaching a historical high in May 2026 — methodology differs (asking vs transaction; idealista is more current but tends to overstate).

- **Lisbon municipality:** €4,813/m² (national buyer) / €6,026/m² (foreign buyer).
- **Greater Lisbon:** €3,439/m².
- **Porto Metropolitan Area:** €2,305/m².
- **Algarve:** €3,139/m² regionally; central-corridor towns (Lagos, Albufeira, Tavira) continue to lead growth; prime golf areas (Vale do Lobo, Quinta do Lago) consolidating at extreme prices.

CBRE's 2026 outlook expects moderation to 5% to 8% growth across the year, from a record-high base.

Where is Euribor heading?

Fixings as of 13 May 2026 (EMMI): **3-month 2.283%, 6-month 2.548%, 12-month 2.860%**. Markets price stable rates through 2026 with a tilt toward small hikes. ECB Survey of Professional Forecasters: deposit rate ~1.9% early 2026, ~2.1% by 2027, ~2.25% by 2030.

A typical Portuguese variable mortgage in May 2026 is priced as 6-month Euribor + 0.70% to 1.25% spread, putting all-in rates at 3.2% to 3.8% TAN, with TAEG (all-in including fees and insurance) at 3.7% to 4.3%. The 6-month index dominates the variable HPP stock (about 39% of contracts per Banco de Portugal, March 2026); the 12-month is 32% and the 3-month 25%.

Is supply increasing or shrinking in your target area?

Nationally, INE reported 21,057 dwellings licensed in H1 2025 — +28.8% YoY, strongest since 2008. Completions reached 13,244, +4.9% YoY. Both improving but still well below demand; estimates suggest Portugal needs to triple completions to clear the structural deficit.

Lei 9-A/2026 cut VAT on construction and rehabilitation of housing for sale up to €660,982, or for rent up to €2,300/month, from 23% to **6%**. That should boost supply through 2027 to 2028. The lag from policy to keys is two to four years.

Coastal Algarve supply is constrained by planning conservatism and land scarcity. Suburban Lisbon and Porto supply is increasing meaningfully. Lisbon super-prime is essentially fixed.

Is your sub-market overheating or normalising?

Three signals to check on idealista or Confidencial Imobiliario:

1. **Months of inventory.** <4 = seller's market; >8 = buyer's market. Most coastal Algarve towns sit at 5 to 7.

2. **Asking-to-sale ratio.** >95% = sellers holding price; <90% = negotiating room.

3. **Days on market.** Falling = heating up; rising = cooling.

Foreign buyer share

INE's March 2026 release puts foreign buyers at **27.6%** of family-sector housing acquisitions in 2025 – down from the 31% peak in 2023, the lowest since 2021. The often-repeated "one in three is foreign" is outdated by three years; current reality is closer to **roughly one in four, and trending down**. Foreign buyers continue to pay a 58%–65% premium per dwelling (€335,640 EU buyer vs €234,120 nationally-domiciled). Demand from abroad is not collapsing, but it is no longer setting the marginal price across the whole country the way it did mid-decade.

AL and tax rule changes

The 2026 picture is meaningfully clearer than 2024:

- **DL 76/2024** (in force 1 November 2024) repealed the *Mais Habitação* restrictions, eliminated the CEAL extraordinary contribution and the quinquennial re-authorization, lifted the national freeze, and made AL licences transferable with the property. Containment is now municipal.
- AL caps: nine bedrooms and 27 guests per unit, convertible beds limited to 50% of fixed beds.
- **EU Regulation 2024/1028** applies from **20 May 2026** – platforms must enforce licence numbers; unlicensed listings drop off Airbnb and Booking.
- **"Moderate rent" framework (Lei 9-A/2026)**: 10% IRS rate (was 25%) for owners renting at ≤€2,300/month on long-term contracts of ≥3 years, valid until 2029.
- 2% annual rent cap on new contracts removed; existing contracts remain inflation-indexed.

If your purchase thesis depends on AL income, run the numbers with and without it.

The 5-Question Decision Framework

Answer each with a strict yes or no. No "kind of." No "leaning yes."

1. Is your life ready? Cash position: do you have the full down payment plus fees plus a six-month emergency fund? Income stable: are you in your current role for at least the past 18 months, with no plans to switch country in the next 24? Use case clear: do you know whether this is primary, secondary, or pure investment?

2. Have you found a specific property? Not "thinking about Lagos." Not "browsing the Silver Coast." A specific apartment or house, with a viewing booked or completed, where you can name the street, the orientation, the floor, and the asking price.

3. Is the price within 10% of fair market value? Fair market value = average of three recent comparable sales in the same building or street, age-adjusted. If asking is more than 10% above that, you are paying tomorrow's price today.

4. Do you plan to keep it more than 5 years? Five years is the rough breakeven where appreciation and amortisation usually overcome round-trip transaction costs. Less than that, you are hoping for an above-trend market.

5. Can you afford the worst-case scenario? Stress test: rates +2 percentage points (so your variable jumps from 3.8% to 5.8% — the Banco de Portugal index +3pp stress is the regulatory baseline), value -15%, and you need to sell into a soft market in year three. Can you survive that without forced sale or financial damage?

Scoring

- **4 or 5 yes:** BUY. The decision is sound on its own merits regardless of macro timing.
- **2 or 3 yes:** WAIT. Specific elements are not in place. Use the wait constructively.
- **0 or 1 yes:** Do not buy at all right now. You are not stuck on timing — you are stuck on fundamentals. Renting is the right answer until at least three of the five flip to yes.

This framework is intentionally strict. It is built to override the emotional pull of a beautiful viewing on a sunny day in Cascais.

Scenario Analysis: Four Versions of the Future

The same buyer, same target property in Lagos, four different timing decisions. Property: €450,000 asking, €420,000 negotiated. Down payment 30% = €126,000. Loan 70% = €294,000 over 30 years. Acquisition costs ~7% = €29,400. Total cash out at signing: €155,400.

Comparison metric: net wealth position at end of year 5, defined as (estimated property value - remaining mortgage balance - total transaction costs paid) plus (rent saved or paid relative to baseline).

Scenario A: Buy now in Lagos

- Purchase: May 2026 at €420,000.
- Mortgage: 3.8% TAEG variable, 30 years, €294,000.
- Monthly payment: ≈€1,370.
- Year 5 estimated value: $€420,000 \times (1.05)^5 \approx \mathbf{€536,000}$ (assuming 5% annual appreciation, the lower bound of the CBRE/JLL 2026 forecast extended).
- Remaining principal at year 5: ≈€259,000.
- Total interest paid over 5 years: ≈€53,500.
- Total acquisition costs: €29,400.
- **Net equity position at year 5: €536,000 - €259,000 = €277,000.**
- Cash invested: €155,400. **Equity gain: ≈€121,600** (before any selling costs if liquidated).

Scenario B: Wait 12 months, prices flat, rates drop to 3.2%

- Purchase: May 2027 at €420,000 (flat market).
- Mortgage: 3.2% TAEG, €294,000.
- Monthly payment: ≈€1,272.
- Year 5 (May 2032 — same horizon as A): so 4 years of holding, not 5. Value at $€420,000 \times (1.05)^4 \approx \text{€510,500}$.
- Remaining principal: ≈€266,000.
- Total interest paid over 4 years: ≈€36,800.
- Acquisition costs: €29,400.
- Rent paid during the wait year: $12 \times €1,800 = €21,600$.
- **Net equity position: €510,500 - €266,000 = €244,500.**
- Adjusted for one extra year of rent (€21,600) and lower interest (€16,700 saved vs A's 5 years), net wealth gap: A is ahead by approximately €27,000 to €33,000.

Conclusion: even with a 0.6 percentage point rate cut, waiting in a flat market loses to buying now if the market appreciates 5% per year — primarily because a year of rent is permanent dead money.

Scenario C: Wait 12 months, prices up 5%, rates flat

- Purchase: May 2027 at €441,000.
- Down payment 30% = €132,300. Loan = €308,700.
- Acquisition costs ≈ €30,870.
- Mortgage: 3.8% TAEG, 30 years.
- Year 5 (May 2032 again, 4 years held): $€441,000 \times (1.05)^4 \approx \text{€536,000}$.
- Remaining principal: ≈€279,000.
- Total interest over 4 years: ≈€44,800.
- Rent during wait: €21,600.
- Extra cash needed at signing vs scenario A: about €8,800 more (down payment + fees).
- **Net equity position: €536,000 - €279,000 = €257,000 vs A's €277,000.**

Conclusion: waiting in a rising market is the worst outcome. You pay more for less time, more rent, more fees, and end up €20,000 behind. The "wait and pay more" scenario is the historical default in Portugal for the last decade.

Scenario D: Wait 24 months, prices down 8%, rates 4.5%

- Purchase: May 2028 at €386,400.
- Mortgage: 4.5% TAEG, 30 years, €270,500.
- Monthly payment: ≈€1,371.
- Year 5 (May 2032, 4 years held for parity).

- Value at $€386,400 \times (1.04)^4 \approx €452,000$ (assuming softer 4% recovery after correction).
- Remaining principal: $\approx €247,000$.
- Total interest over 4 years: $\approx €47,000$.
- Rent during 24-month wait: $€43,200$.
- **Net equity position: $€452,000 - €247,000 = €205,000$ vs A's $€277,000$.**

Conclusion: even an 8% correction does not save the waiter, because two years of rent (€43,200) plus a higher rate plus a slower recovery all compound. The break-even price drop required to make the 24-month wait profitable in this rate environment is approximately 15% — a level Portugal has not seen at the national level since 2012–2013.

What this teaches

Across plausible scenarios for Portuguese 2026 to 2031, **buying now beats waiting in three out of four scenarios, sometimes by tens of thousands of euros.** The only scenario where waiting wins clearly is a sharp correction (>12%) combined with stable rates, and that combination is historically rare and not currently forecast.

This is not a recommendation to buy now regardless of fundamentals. It is a recommendation to buy now **if and only if you pass the 5-question framework**, because the hidden cost of waiting in an inflationary, supply-constrained market is much higher than the visible cost of buying.

The "Buy Then Refinance" Strategy

DL 74-A/2017 is the single most under-appreciated piece of Portuguese consumer law for property buyers. It establishes that:

- **Variable-rate mortgages can be repaid early at a maximum 0.5% penalty** on the capital repaid.
- **Fixed-rate mortgages cap the penalty at 2%.**
- **Death, unemployment, or professional relocation exempt the borrower entirely** from any early-repayment fee.
- **Bank-to-bank transfer (portabilidade)** is a defined process: the new bank handles paperwork, the old bank has 10 working days to provide the discharge information and 14 to issue the discharge certificate.

Many banks waive even the 0.5% penalty when they are the receiving bank, marketing aggressive "transfer your mortgage" offers (BCP, Santander, Bankinter, novobanco, and Banco CTT all run these promotions in 2026). Total transfer cost typically lands at $€1,500$ to $€3,000$ in deed/registration fees plus a new property valuation.

Practical implication. Lock a variable-rate mortgage now with the lowest spread available. If Euribor falls 50 to 100 basis points within two to four years, transfer to whichever bank has the best spread at that moment. Run the math: a 0.7 percentage point rate cut on a $€300,000$ mortgage saves roughly $€17,000$ in interest over the remaining term — easily justifying $€2,500$ in transfer costs.

Avoid fixed-rate mortgages unless the fixed-vs-variable spread is unusually narrow. The 2% early-repayment fee on fixed contracts removes most of the optionality.

The "Wait + Lose Specific Property" Risk

This is the buyer regret that no spreadsheet captures.

The Portuguese coastal market — Algarve villas with sea view, Lisbon historic flats with original azulejos, Porto townhouses near the Douro — is genuinely inventory-constrained. The exact property you saw on Tuesday and decided to "think about over the weekend" can be off the market by Friday. We have watched buyers spend nine months looking for the next-best version of a missed property, eventually pay 8% more for something they like 20% less. Over a 5-year hold, that is the worst trade in this entire guide.

Heuristic: if you have viewed a property three times, your spouse has viewed it twice, and it scores 4–5 yes on the framework above, the probability you find something equivalent at a comparable price within twelve months is below 30%. Treat that asymmetry seriously.

Currency Timing for Foreign Buyers

If your savings are in GBP, USD, BRL, or any non-EUR currency, you have a second timing question on top of the property question. On a €450,000 purchase, a 5% FX swing is roughly £19,000 for a GBP buyer and ~\$22,000 for a USD buyer — material relative to negotiation savings.

Three practical tools: **forward contracts** (specialist FX broker locks today's rate for settlement in 1–12 months, typically no upfront cost — useful once you are committed to a specific property); **rate-target orders** (broker auto-executes if your target hits, good 3–6 months from completion); and **tranching** (convert one third now, one third in three months, one third at completion, to average the rate).

Do not let currency timing turn into property timing. The two decisions are independent — solve them separately.

Macro Forecasts for 2026 to 2028

What the institutions expect, with the caveat that forecasts are routinely wrong.

House prices. CBRE expects 5%–8% national price growth in 2026, moderating from 2025's surge. JLL Portugal models consolidation rather than expansion, with continued foreign demand supporting prime segments. Banco de Portugal's financial stability report flags overvaluation against fundamentals and warns of a deteriorating new-credit risk profile (LTV >90% rose from 0.1% in 2024 to 19% in 2025, mostly driven by the public guarantee for under-35 buyers); it suggests prices "may slow more sharply if mortgage costs rise."

Euribor and ECB. Survey of Professional Forecasters: deposit rate ~1.9% early 2026, ~2.1% by 2027, ~2.25% by 2030. December 2025 Reuters poll: ~75% expect no ECB cuts before end-2026. Euribor fixings 13 May 2026: 3M 2.283%, 6M 2.548%, 12M 2.860%.

Tax and regulation. 6% VAT on residential construction and rehabilitation under Lei 9-A/2026. 10% IRS on moderate-rent contracts ($\leq \text{€}2,300/\text{month}$, ≥ 3 years). Non-resident flat 7.5% IMT approved, awaiting DL publication for operational effect. AL framework decentralised to municipalities; EU-wide platform enforcement from 20 May 2026. The next risk window for new measures is the OE 2027 cycle in October 2026.

Behavioural Traps

The most expensive mistakes in real estate are not analytical — they are emotional. Four to watch.

Anchoring to old prices. "But this place was €280,000 in 2019." Yes, it was, and it is €420,000 now. The 2019 price has zero predictive power for the 2026 price. If you keep waiting for prices to "come back to where they were," you will be waiting for a long time, possibly forever.

Loss aversion ("I missed the bottom"). The 2014–2016 Lisbon buyers at €1,800/m² are sitting on 200% gains. That fact does not undo itself by your refusing to participate. The question is never "did I miss the bottom?" It is "is today's price acceptable for today's use case?"

Confirmation bias. If you only read articles whose conclusion you already agreed with, you are not researching — you are gathering ammunition. Read two well-argued bear pieces and two well-argued bull pieces this month. If your view does not adjust slightly, your view is not data-driven.

Action bias. "I have been looking for nine months, I owe it to myself to buy something." No, you do not. Buying just to feel decisive is the most expensive form of impatience known to property markets. The decision to wait is a decision; it is not failure.

A Framework for "Smart Waiters"

If the framework points to wait, do not just sit on cash and pray. Use the wait actively.

1. **Save in EUR**, not your home currency. If your purchase is committed to euros, hold the savings in euros via a Portuguese, Spanish or pan-EU savings account. This eliminates currency timing risk.
2. **Build relationships with two or three agents** in your target sub-market. Be polite, be specific, do not waste their time. A trusted agent will phone you about a new listing 24 hours before it hits idealista.
3. **Track 10–20 specific properties.** Watch price reductions, days on market, when listings disappear (sold) vs reappear (relisted). You will learn the rhythm of your market.
4. **Set price triggers.** "If 3-bed villa in Lagos with sea glimpse drops below €475,000, I view immediately." Triggers convert vague waiting into disciplined readiness.

5. **Get pre-approved now.** Pre-approvals are free, valid for 30–90 days, and can be refreshed. Walking into a viewing with financing already lined up makes you the buyer the seller chooses when offers compete.

A smart waiter is not a passive waiter. They are a buyer in pre-position.

A Framework for "Smart Buyers Now"

If the framework points to buy, structure the deal to hedge the timing risk.

1. **Buy in an under-appreciated property type or location.** The market is bidding hardest for renovated 2-bed flats in central Lisbon and golf-front villas in Quinta do Lago. Relative value sits in 3-bed townhouses in working-class neighbourhoods of Porto, inland Algarve villages 20 minutes from the coast, and pre-1974 buildings needing modernisation. Buying where the next wave of demand is heading absorbs less timing risk than buying where the current wave is parked.
 2. **Lock a variable mortgage with the lowest spread available,** not the lowest headline rate. Spreads typically range from 0.55% to 1.30%. A 0.30 percentage point lower spread is worth roughly €15,000 over the loan life on a €300,000 mortgage. Bundle the bank's optional products only if the math works after the bundle cost.
 3. **Plan a 7-year-plus hold.** Five is the breakeven; seven is comfortable. Do not buy property you will need to liquidate inside three years for any predictable life reason.
 4. **Negotiate hard.** Asking-to-sale ratios are settling around 92%–95% in early 2026. A €450,000 asking is realistically a €420,000–€430,000 deal. Three months of patient negotiation can save you 5%.
 5. **Stress-test before signing.** Plug rates +2 percentage points (the BdP regulatory stress baseline), value -15%, and your worst plausible income shock. If you still survive, sign. If you do not, walk.
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FAQs

Will Portuguese prices crash in 2026 or 2027? No major institution forecasts a crash. CBRE, JLL, and Banco de Portugal all expect moderation to single-digit growth. A 10%+ drop would require a serious recession or rate spike — possible, not base case.

Fixed-rate or variable-rate mortgage? Variable with a low spread beats most fixed offers over a 5–10 year hold in May 2026. The 2% early-repayment fee on fixed contracts removes cheap refinancing optionality. Fixed only makes sense if you cannot tolerate payment volatility.

Is it cheaper to buy new construction or renovate? With 6% VAT on both under Lei 9-A/2026 (subject to the price/rent ceilings), the gap has narrowed. New construction in popular areas still trades at a 15%–25% premium over renovated stock. With project-management capacity, renovation usually wins on price-per-finished-m².

What if my mortgage approval is less than I need? Banks typically apply 60%–75% LTV for non-residents on residential property (market practice, not a hard regulation). Options: bigger down payment, lower property budget, co-borrower, or a separate loan against assets in your home country.

Should I wait for the supply boost to drop prices? Supply lag is two to four years and most pipeline is in suburban Lisbon and Porto, not constrained coastal Algarve or central historic neighbourhoods. The supply argument is weak in those sub-markets.

What if I am buying purely as an investment? Framework still applies; question 4 becomes 7+ year hold and question 5 becomes binding. Gross yields: central Lisbon/Porto 3%–4.5%, coastal Algarve 4%–6% with seasonal AL upside, inland Algarve and secondary cities 6%–8%.

Is AL still viable for new buyers in 2026? Yes, with municipality-level caveats. Lisbon central, Porto central, and Cascais are stricter; most Algarve coastal towns are permissive. A "no new licences" decision can drop investment value 15%–25% overnight.

Biggest mistake buyers make in 2026? Treating the macro question (rates) as more important than the micro question (is this specific property a good fit at this specific price?). Macro is noise; micro is signal.

Closing Thought

The buy-now-or-wait question is unanswerable in the abstract and answerable in the specific. The five-question framework is designed to push you out of the abstract and into the specific.

If you cannot name the property, the price, the comparable sales, your hold horizon, and your worst-case survival plan, you do not have enough information to make the decision either way. Spend the next three months gathering those facts. Then revisit this guide.

If you can name all of them, you do not need this guide anymore. You have already decided — you are just looking for confirmation.

Either way, the answer is rarely "buy any property in any city this quarter" or "wait until prices crash." The answer is almost always: **the right property, at a fair price, with a sound mortgage, for a long enough hold, that you can survive even if everything goes wrong.** When all five line up, timing the market is irrelevant. When they do not, no amount of macro forecasting will save the deal.

Related reading

- **When Buying Property in Portugal Does Not Make Sense** — the counter-commercial companion: twelve buyer profiles where renting beats buying outright.
- **When Is the Right Time to Buy in Portugal** — personal-readiness framing for buyers who keep failing question 1.

- **Buy to Live vs Buy to Rent** — the upstream decision: which mental model fits before timing matters at all.
 - **Taxes and Costs of Buying Property in Portugal** — the full entry cost stack, including the non-resident IMT mechanics under Lei 9-A/2026.
 - **Risk-Averse Buyer Guide** — for buyers who scored 4–5 yes but still feel uneasy: priced mitigations for each of the seven main risk categories.
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How 2nd Haus can help

We run **buyer-side timing advisory** for clients who have done their own reading and want a structured second opinion before committing. A typical engagement:

- 90-minute scoping call to score your situation against the 5-question framework with real numbers from your file (income, FX exposure, target sub-market).
- Comparable-sales pull from idealista, Confidencial Imobiliario and our own transaction log to validate question 3 on any specific property you are tracking.
- Stress test of your worst-case scenario (rates, value, income shock) with you in the room.
- A written recommendation: buy / wait / do not buy, with the reasoning preserved so you can revisit it in twelve months.

Priced as a fixed-fee audit, not a commission. We are a buyer-side firm; we do not list property and we do not take seller commissions. If we tell you to wait, we have no commercial reason to be saying it.

[Book a timing audit →](#)

Sources

Primary

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- Decreto-Lei n.º 74-A/2017, Portuguese mortgage regime (consolidated text, PGDL).
- Decreto-Lei n.º 76/2024, de 23 de outubro (AL framework).
- EU Regulation 2024/1028 on short-term rental data collection and platform enforcement (applies from 20 May 2026).
- INE — *Estatísticas de Preços da Habitação ao Nível Local*, full-year 2025 release (24 April 2026); Foreign-buyer release (24 March 2026).
- Banco de Portugal — BPstat Euribor series (13 May 2026 fixings); Financial Stability Report; macroprudential framework (LTV / DSTI / maturity).
- ECB — Survey of Professional Forecasters, Q1 2026.

- Portal das Finanças — IMT Jovem; IFICI FAQ.
- Confidencial Imobiliário — residential price index, Q4 2025 release.

Further reading

- CBRE Portugal, *Real Estate Market Outlook 2026 Portugal*.
- JLL Research, *Portugal Residential Market Dynamics, Q3 2025*.
- Eurostat House Price Index, January 2026 update.
- idealista, *Median price of a house in Portugal is now €2,076 per m²* (30 April 2026) and asking-price index, May 2026.
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- PwC Portugal — IMT tabelas práticas 2026.

Last updated: 15 May 2026. Verified against CANONICAL_FACTS.md 2026-05-15. We refresh this guide quarterly and after any material change to the IMT regime, Banco de Portugal macroprudential rules or the AL framework.

Want a buyer-side advisor on your specific case?

2nd Haus is a buyer-side real-estate consultancy specialised in the Algarve. We will tell you not to buy if that is the honest answer.

[Talk to 2nd Haus](#)

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