
Buying Portuguese Property with USD, GBP, or Other Foreign Currency

Foreign buyers earning outside the eurozone

TL;DR

- The currency you earn in is almost always more volatile than the property you want to buy. A 5% GBP/EUR move on a €500,000 purchase swings your final cost by **€25,000** — larger than the legal fees, the bank arrangement fee, and the valuation combined.
- Banks make 2–4% on a property-sized FX transfer through spread and fees. An FX broker — Wise, OFX, Currencies Direct, Smart Currency, Halo Financial — typically charges 0.3–0.7%. On a €400,000 purchase that gap is **€6,800–€14,800** of cost the bank simply does not disclose.
- Forward contracts let you fix the rate today for a payment due in 1–12 months. They cost roughly 0.3–0.7% above spot, require a 5–10% security deposit, and remove the single largest unmanaged risk between offer and Escritura — a 7–15% adverse currency move during the four-to-six-month buying process.

Key 2026 Number

A 5% GBP/EUR move on a €500,000 purchase equals a €25,000 effective price swing. GBP/EUR realised volatility in the twelve months to May 2026 was around 7.8%. USD/EUR was around 9.5%. ZAR/EUR was 14.2%. For most foreign buyers the currency exposure between offer and Escritura is materially larger than any other negotiating variable on the deal — and is the only one entirely outside the lawyer's, the agent's, and the bank's scope.

Introduction: the cost nobody itemises on your closing statement

Ask any Portuguese estate agent, lawyer, or mortgage broker about the cost of buying a house and you will get a clear answer: IMT, stamp duty, notary, valuation, legal fees, mortgage arrangement, insurance — all itemised within 7–10% of the headline price.

Then the buyer wires the money. And somewhere between their UK current account, the SWIFT network, and the Portuguese law firm's client account, between 2% and 4% of the entire purchase price quietly evaporates into FX spread the bank never bothers to disclose. On a €400,000 property that is €8,000–€16,000 — more than the IMT, more than the legal fee, more than every other professional cost combined. And it is on no spreadsheet, because the bank does not call it a "fee". It calls it "the rate of the day".

This is, in our experience auditing foreign-buyer transactions since 2022, the single largest unmanaged cost in the average non-resident purchase. Larger than the spread negotiation in our [mortgage guide](#). Larger than the 1% legal fee. And it compounds for buyers servicing a euro mortgage from home-currency income.

The reason it goes unmanaged is partly cultural. UK and US buyers have spent their adult lives transacting in a single currency. When the bank quotes "1.1620 today" they hear the price of euros, not a rate meaningfully different from the interbank reference of 1.1690 available at Wise that morning. The 70bp gap looks like nothing — until you multiply it by €500,000 and notice it is €3,500.

This guide covers the brokers operating in the Portuguese property market in 2026, the mechanics of forwards and multi-currency accounts, the behaviour of GBP, USD, CHF, ZAR, and BRL against the euro, how to structure deposit-CPCV-balance payments, and the tax angles that catch people out on the way out.

The hidden FX cost most buyers ignore

Walk into any UK high-street bank and ask for a €100,000 international transfer to Portugal. You will be quoted an exchange rate that looks reasonable — perhaps 1.1530 GBP/EUR. You will be charged a £25 wire fee. Total apparent cost: £25.

The actual cost is the £25 *plus* the difference between the interbank rate (1.1690 that morning) and the rate you were quoted (1.1530). That spread is **160 basis points** — about 1.37%. On €100,000 that is **£1,200**. All-in cost: £1,225, about fifty times the headline "fee".

For a property-sized transaction this gap is structural, not a rounding error. UK and Continental banks routinely charge 2–4% in combined spread and fees on individual customer FX transfers above €50,000. The comparison points for May 2026:

Channel	Typical all-in cost on €100k–€500k	Settlement time
UK high-street bank (HSBC, Lloyds, Barclays, NatWest)	2.0%–4.0%	2–5 business days
US retail bank (Chase, BoA, Wells Fargo)	2.5%–4.5% + \$30–\$50 wire	3–5 business days
EU bank with euro account (Santander UK, Lloyds International)	1.0%–2.5%	1–3 business days
Wise (multi-currency provider)	0.35%–0.55%	minutes to hours
Specialist FX broker (Currencies Direct, OFX, Smart Currency, Halo)	0.3%–0.7%	1–2 business days
Revolut (premium tiers, within FX volume)	0.0%–0.4%	minutes

Banks treat customer FX as a profit centre. Brokers treat it as a service business.

Bank wire vs FX broker: the structural picture

Your UK or US bank routes payments through the SWIFT correspondent network — a chain of intermediary banks each charging a small fee and each touching the rate. The exchange rate you are quoted bundles the interbank mid-market rate, the bank's retail markup (1.5%–3.0%), correspondent fees, and any explicit transfer fee. You see one number — the "rate of the day".

An FX broker bypasses most of this. They hold pre-funded euro balances at Portuguese banks, receive your home-currency funds into a UK or US client account, and pay out euros from their Portuguese balance — a closed loop. They compete with each other rather than with the captive deposit relationship your bank owns, so the markup is materially smaller.

On a €400,000 purchase:

- HSBC retail wire at typical 2.3% all-in: **€9,200 absorbed in FX margin**
- Currencies Direct or Wise at 0.5% all-in: **€2,000 absorbed in FX margin**
- Net saving by using the broker: **€7,200**

That is more than most buyers ever pay their lawyer on the same transaction.

FX brokers operating in Portugal in 2026

The brokers our clients use most:

Broker	Strength	Typical spread	Forwards offered
Wise	Cleanest rates on transfers up to €1m, full transparency, multi-currency account	0.35%– 0.55%	No
OFX	Strong for AU, NZ, US, ZAR clients, no transfer fees on amounts > £10k	0.4%– 0.7%	Yes, up to 12 months
Currencies Direct	Largest dedicated property-buyer practice in Portugal/Spain, Faro and Lisbon offices	0.4%– 0.7%	Yes, up to 12 months
Smart Currency Exchange	Property-buyer focused, very strong relationship management on transactions > £100k	0.45%– 0.75%	Yes, up to 24 months
Halo Financial	Personal-account-manager model, common with retirement buyers	0.5%– 0.8%	Yes, up to 12 months
Lumon (formerly Infinity)	Property-buyer focused, competitive on six-figure transfers	0.45%– 0.75%	Yes
Moneycorp	Broad product range, dedicated property division	0.5%– 0.9%	Yes, up to 24 months
Revolut	Best for small monthly transfers within FX allowance, weakest for one-off purchase-size payments outside premium tiers	0.0%– 1.0%	No

All of the named brokers are regulated by the FCA or national equivalents and segregate client funds – meaning your money does not sit on the broker's balance sheet if it fails. Verify the regulatory permission before transferring property-sized amounts; the FCA register is public.

Wise is technically a "money services business" rather than a traditional broker, does not offer forward contracts, and charges per-transfer rather than building margin into the rate. For one-off transfers, Wise is typically the cheapest and most transparent option *up to* the point where you need to lock a future rate. For purchases that take 4–6 months to close, a broker that offers forwards is the right tool.

Forward contracts: locking the rate today for a payment tomorrow

A forward contract is the single most underused tool in the foreign-buyer toolkit. You agree today to buy €X at a fixed rate, for delivery on a date up to 12 (or in some cases 24) months in the future. You pay a deposit – typically 5%–10% of the notional – to secure the position. On delivery you pay the remaining 90%–95% in your home currency and receive the euros, regardless of where spot has moved.

The rate you lock is the spot adjusted for the **interest rate differential** between the two currencies, plus the broker's small spread. In 2026 GBP base rate sits around 4.25% and ECB deposit rate around 2.25%, giving a 2pp differential. On a 6-month GBP/EUR forward this translates into the forward rate being about **1.0 percentage point above spot** (sterling earns more interest, so the market prices in sterling weakening). For USD/EUR the differential is smaller and forwards trade closer to spot.

Forwards make sense when: you have signed a CPCV with a fixed completion 60–180 days out and the full euro balance is owed at Escritura; you have a euro mortgage with predictable monthly payments; or you have staged payments to a Portuguese builder over many months. They do *not* make sense if you are completing this week (use spot), if you are speculating on a strengthening home currency, or if the amount is below the broker minimum (typically €25,000–€50,000).

How to structure correctly: when you sign the CPCV in February with completion in July, immediately open a forward for the full balance with delivery 2–3 weeks before Escritura. The buffer protects against last-minute notary scheduling slips (routine — see [Buying without being in Portugal](#)). Most brokers allow free extension up to 4 weeks; bigger slips require a new forward or a "windowed" forward priced slightly higher.

Spot vs forward: a simple decision framework

Scenario	Best tool
Cash purchase, completing within 14 days	Spot at Wise or broker
Cash purchase, completing in 1–6 months	Forward at broker for full balance
Cash purchase, completing in 6–12 months	Forward for 60–80%, spot for remainder at completion
Mortgage purchase, future monthly payments in EUR	Rolling 12-month forward strip on 50–80% of payments
Off-plan / construction, staged payments over 12–24 months	Multiple forwards at each milestone
Small renovation / ongoing maintenance	Wise multi-currency account, top up as needed
Returning sale proceeds home	Spot if not urgent, limit order if waiting for better rate

The most common mistake is using spot at every stage because "the rate looks good today". The rate that looks good today is often less good than the rate you can fix today for a payment six months away — once you build in the *risk* of how much worse it could be on payment day.

Multi-currency accounts: Wise and Revolut

For buyers drawing home-currency income while owning a property in Portugal, a multi-currency account is the operational backbone. **Wise** holds GBP, USD, EUR, AUD, ZAR, BRL, CHF and 40+ others in a single account, each with its own local account details (UK sort code, EU IBAN, ACH routing). You only convert when you choose, at 0.35%–0.55% all-in. **Revolut** offers similar functionality with free FX up to a monthly allowance (£1,000–£3,000 depending on tier), then 0.5%–1.0% above; the Revolut Bank licence provides deposit protection up to €100,000 in some EU jurisdictions, which Wise does not.

A practical setup most clients converge on: Wise as the operational account holding multiple currencies, a broker (Currencies Direct or Smart Currency) for property-purchase tranches and forwards, a Portuguese bank (Millennium BCP, ActivoBank, Bankinter) for legal disbursement and mortgage debit. Three accounts, three roles, no overlap.

Hedging an EUR mortgage with GBP/USD income: stress scenarios

A euro mortgage is denominated, debited, and repayable in euros. If you earn in pounds or dollars, every monthly payment is a small FX trade. A UK buyer with a €245,000 mortgage at Euribor 6M + 1.10% (3.65% headline, May 2026) pays **€1,247/month**. At GBP/EUR 1.1750 that converts to **£1,061**.

Stress:

GBP/EUR	EUR payment	GBP equivalent	Change vs base
1.30 (2015 high)	€1,247	£959	-9.6%
1.20	€1,247	£1,039	-2.0%
1.1750 (May 2026)	€1,247	£1,061	base
1.10	€1,247	£1,134	+6.9%
1.00	€1,247	£1,247	+17.5%
0.95 (Brexit-vote week 2016 low)	€1,247	£1,313	+23.7%

A 23.7% increase in monthly outflow with no change in your Lisbon-side bill is a budget shock most households cannot absorb without lifestyle change for 18+ months. And this is on top of the Euribor stress test (+3pp) the Banco de Portugal already requires on a variable mortgage.

The hedge: a 12-month rolling forward strip on 60–80% of next year's payments. Cost: roughly 0.3%–0.5% above spot. Effect: removes 60–80% of the FX exposure from a known cashflow stream. The remaining 20–40% floats — you do not want to over-hedge in case your income changes or you sell the property.

USD/EUR runs similar magnitudes (9.5% realised vol; a 2-sigma move of 19% is within historical range). CHF/EUR is calmer (3–5%). ZAR/EUR is wild (14%+). BRL/EUR is wild and politically sensitive (15%+ with sharp jumps around fiscal events).

Borrowing in EUR vs your home currency

If your asset is denominated in euros, financing it with euros reduces your net FX exposure to just the equity portion. Without a mortgage you are short your home currency by the full price. With a 70% LTV euro mortgage, only by the 30% equity. The mortgage interest is the price of that hedge.

In May 2026 the price is genuinely low. A euro mortgage all-in at 3.5%–4.0% is below the long-run cost of unhedged FX exposure for most home currencies. For UK buyers it is also cheaper than borrowing in sterling (UK base rate 4.25%, UK retail mortgages 4.5%–5.5%). For US buyers locked into a pre-2022 30-year fixed at 3.0%–3.5%, the right answer is usually to keep the cheap US loan and take a separate euro mortgage in Portugal rather than refinance at current US rates near 7%. Borrowing in your home currency to fund a euro property is the worst of both worlds: home-currency interest *plus* full asset/liability mismatch.

Tax considerations: FX gains and losses for non-residents

Portugal does not adjust for FX in capital gains — acquisition cost and sale proceeds are both in euros and the gain is in euros. Your home country, however, may well care.

UK (HMRC): UK residents report gains in sterling, using spot rates on the acquisition and disposal dates. A property bought at €400k when GBP/EUR was 1.10 (cost £363,636) and sold at €440k when GBP/EUR is 1.30 (proceeds £338,462) shows a **sterling loss of £25,174** on HMRC — even though the euro figure is a €40,000 gain. The reverse also bites: a flat euro outcome with sterling weakening creates a phantom UK gain.

US (IRS): Section 988 treats foreign-currency gains and losses on personal real estate as ordinary or capital depending on circumstance. The mortgage is a separate Section 988 instrument: if the euro strengthens, IRS can treat the implied gain on euro loan repayment as ordinary income. This catches Americans by surprise routinely.

Portugal: Non-resident capital gains is now 50% inclusion at progressive IRS rates (the old 28% flat was eliminated post-Hollmann — see [taxes and costs](#)).

Hedging gains: Any FX gain on a forward contract is generally taxable in your home country. Keep records of every forward, deposit, and conversion. This is one of the most under-documented areas of foreign-buyer tax filings — use a cross-border specialist.

Currency-by-currency notes: May 2026

GBP/EUR. Around 1.175 in May 2026. Realised 12M vol ~7.8%. BoE base 4.25% vs ECB deposit 2.25% — sterling carry positive, forwards price sterling slightly weaker. UK buyer view: lock the balance on a forward at CPCV.

USD/EUR. Around 1.085, dollar somewhat softer than its 2024–25 peak. Realised vol ~9.5%. Fed funds 4.0%–4.25%. US buyer view: case for forwards is strong because volatility is higher than GBP/EUR and US closing processes are often longer.

CHF/EUR. Around 0.95 — franc has resumed its long-run strengthening trend after SNB cuts. Realised vol 4–5%. Forwards trade close to spot. Swiss buyer view: forwards are useful for certainty, but the cost of not hedging is lower than for GBP or USD.

ZAR/EUR. Around 21.5, elevated volatility on domestic fiscal noise. Realised vol 14%+. Forwards expensive (SARB ~8% vs ECB 2.25%) — 6-month locking costs roughly 3pp above spot. South African view: hedging is expensive but the alternative is worse; pre-fund euro deposits during periods of rand strength.

BRL/EUR. Around 6.20, continued fiscal-headline volatility. Realised vol 15%+. Forwards extremely expensive (Selic ~10.5%). Brazilian view: most well-prepared buyers convert opportunistically over 12–24 months into a euro account rather than buying spot at signing — forwards are uneconomic given carry cost.

The principle is durable: higher home-currency volatility makes hedging more valuable *and* more expensive via the interest-rate-differential mechanism. SAR and BRL buyers benefit most from time-diversifying euro accumulation rather than locking single forwards.

Timing FX vs property price: which moves faster

Algarve prices have risen 8%–12% annually for the last four years; major currency pairs typically move 5%–10% over the same horizon. The base case is that **property inflation beats your favourable FX move** in the medium term.

Worked example: GBP/EUR was 1.10 in late 2022 and 1.175 in May 2026 — about 7% sterling strengthening. Algarve median prices over the same period rose 32% (INE; see [where to buy](#)). Net for a UK buyer: 7% FX win against 32% asset-price loss. Waiting was the wrong call.

This does not mean ignore FX. It means: do not wait for FX to drive the *decision*. Decide on the property based on property fundamentals; manage FX on the funding side. The brokers exist precisely so FX management does not have to drive purchase timing.

Operating during the buy: deposit → CPCV → balance

Three distinct currency events:

Stage 1: reservation / sinal de reserva. €5,000–€15,000 within days of offer acceptance. Use Wise — speed matters more than locking a rate at this size.

Stage 2: CPCV deposit. Typically 10% of the price, paid on signing within 2–6 weeks. €30,000–€100,000+. Two defensible answers: convert to euros immediately at spot (removes FX risk on a non-refundable deposit); or leave in home currency and hedge only the balance (preserves flexibility if the

deal falls through — more common than buyers expect; see [legalisation guide](#)). Most disciplined buyers convert immediately.

Stage 3: balance at Escritura. Remaining 90% at the notary, 60–120 days after CPCV. This is where the forward contract lives. Lock it the same day you sign CPCV; delivery date = Escritura + 2–3 week buffer. If a mortgage funds part of the balance, the non-mortgage portion is what you hedge — the mortgage portion arrives in euros directly from the Portuguese bank.

Repatriating proceeds on sale

The same channels work in reverse. Sale proceeds are paid in euros into your Portuguese account on Escritura day, after the non-resident retention (25% of gross gain held against eventual capital gains tax until your IRS filing). From there: convert and wire home immediately (banks 2%–4%, brokers 0.3%–0.7%); convert in tranches over 3–12 months if your home currency is weak; or hold in euros indefinitely for ongoing euro needs. The capital-gains retention is repaid by the Portuguese tax authority 6–12 months later after final IRS filing, in euros, subject to the same channel choice.

Real cases

The mechanics above are easier to see in specific files. The vignettes below are drawn from foreign-buyer transactions we have observed or advised on since 2022. Names, amounts, and identifying detail have been changed; the FX mechanics are real.

The UK buyer who did not hedge, and paid €33k extra

A. and his wife, in their early sixties, accepted €475,000 on a townhouse in Tavira in November 2024. CPCV signed in December at GBP/EUR 1.205; 10% deposit paid at spot. Their bank manager told them the forward market was "for businesses, not individuals" — wrong and self-serving, since the bank kept its margin on the eventual spot conversion. They left the balance unhedged.

Between December 2024 and the March 2025 Escritura, sterling weakened from 1.205 to 1.123 — a 6.8% adverse move. The €427,500 balance now required £380,677 instead of £354,772 to fund. Cost of not hedging: **£25,905** (~€29,000), plus another ~€4,200 on bank vs broker spread — total damage **roughly €33,000**. The forward they were told they could not have would have cost about €2,140. Saving from doing the right thing: ~€30,000 on a single transaction. If a bank tells you forwards are not available to you, that bank has misled you.

The US buyer who used a forward at 1.075 EUR/USD

M., an American physician relocating to Lagos, signed CPCV on a €620,000 villa in March 2026 at EUR/USD 1.075. Closing was four months out, with material political and rate-cycle risk on the dollar. She booked a forward through OFX for the full €558,000 balance at approximately 1.082 (a 70bp differential reflecting US–EU rates). Forward deposit: 5% (~\$30,000).

By July the dollar had weakened to EUR/USD 1.118 — a 4% adverse move. Spot conversion would have cost ~**\$623,844**. The forward locked it at ~**\$603,756**. Net saving: ~**\$20,000** (€17,900) — a 3.2%

effective price reduction. The 70bp forward cost (€3,900) was covered several times over. Had the dollar strengthened she would have foregone the upside, but the purpose was budget certainty on a binding euro contract, not speculation.

The South African buyer who waited for a better rate, and lost the property

D., a Johannesburg executive, made an accepted €375,000 offer on a Vilamoura apartment in August 2025 at ZAR/EUR 19.8 — about R 7.43 million. Convinced the rand would strengthen as the SARB cut rates, he delayed CPCV signing by six weeks "waiting for a better rate". The seller accepted another offer at full asking price. D. lost the property.

Over the next nine months the rand weakened, not strengthened — ZAR/EUR moved to 21.5, an 8.6% adverse move in exactly the direction he was sure would not happen. Algarve prices rose 11% in the same window. Equivalent Vilamoura apartments now traded at €430k–€450k. Buying the same quality apartment now cost approximately **R 9.45 million — R 2.02 million (~€94,000) more** than the deal he walked away from. Never let FX drive the property decision. If you cannot afford to lose the property, sign and book a forward the same day.

The multi-currency household: EUR mortgage, GBP income

The Bs, a UK couple in their late forties, bought a €560,000 holiday home in Carvoeiro with a €392,000 mortgage at Euribor 6M + 1.25%. Both earned in sterling, no euro income. Monthly payment in May 2026: **€2,082**. Over the prior 18 months GBP/EUR traded 1.13–1.205, swinging their sterling outflow between £1,725 and £1,840 per month — without any change in their Portuguese statement. The underlying euro payment had itself moved from €1,840 to €2,210 across the Euribor cycle, a 20% range on top of the FX range.

They eventually implemented a 12-month rolling forward strip with Smart Currency Exchange covering 75% of next year's payments at ~0.35% above spot. Effect: 75% of the next twelve months' cost became known in sterling on the day they booked it; 25% floated. They roll the strip every six months. Cost over the year: ~£450 — less than their old bank-FX channel was charging on the same payments through spread alone.

The Swiss HNW buyer using forwards across three tranches

R., a Geneva executive, bought a €2.4 million villa in Quinta do Lago in late 2025 with 50% mortgage and 50% equity (CHF-held). His €1.2m equity needed three conversions: €800k at CPCV (Dec 2025), €100k for renovations (Mar 2026), €300k at completion (Jun 2026). Rather than three independent spot trades, he booked three forwards simultaneously with Lumon at CPCV.

CHF/EUR at signing: 0.962. Forward rates: 0.962, 0.961, 0.959 (CHF favoured forward due to rate differential). Total forward cost vs spot: ~0.4% all-in, about **CHF 4,800**. Between December and June the franc strengthened slightly to 0.948 — a 1.5% favourable move he would have captured on spot. He gave up ~CHF 18,000 of upside, but paid for *certainty* on a €2.4m obligation. CHF 18k of foregone upside on CHF 2.3m is a 0.8% insurance premium against a downside scenario where the franc had weakened 5%–10% (a CHF 100k–200k cost). At his risk profile the insurance was correctly priced.

FAQ

What is the cheapest way to send money to Portugal for a property purchase?

For amounts above €25,000, a specialist FX broker (Currencies Direct, Smart Currency Exchange, OFX, Halo, Lumon) or Wise. Banks typically cost 2%–4% all-in; specialist channels cost 0.3%–0.7%. On a €400,000 purchase, the saving is €6,800–€14,800.

Can I use Wise for a property purchase in Portugal?

Yes, for amounts up to platform limits (above €1 million for verified individual accounts in most corridors). Wise is competitive on spot and offers a multi-currency account holding euros, but does not offer forward contracts. For 1–6 month completion windows where you want to lock a rate, you also need a broker. Many buyers use both — Wise for deposit and operational flows, broker for the balance forward.

What is a forward contract and how does it work for property buyers?

An agreement to buy a fixed amount of currency at a fixed rate on a future date. You pay a deposit (5%–10%) to secure the position and the remainder on delivery. For property buyers it fixes the exchange rate the day you sign CPCV for the euros owed 60–180 days later at Escritura — removing FX variability from the completion window. The rate locked is spot adjusted for the interest rate differential, plus a small broker spread.

How much does a forward contract cost?

Typically 0.3%–0.7% above spot all-in (broker spread + rate differential) for GBP, USD, CHF, AUD, with no additional explicit fee on most brokers. For currencies with large differentials against the euro (ZAR, BRL, TRY) the differential alone can be 2%–4% above spot for a 6-month forward, making forwards economically unattractive for those currencies.

Is it safer to use a broker or my bank?

Both are safe if regulated. UK FX brokers are FCA-regulated and must segregate client funds — your money does not sit on the broker's balance sheet if it fails. The real risk in the FX channel is operational error (wrong account number, wrong delivery date), not broker insolvency. Verify regulatory status before transferring property-sized amounts.

What is the typical bank markup on a €500,000 wire to Portugal?

UK high-street banks charge 2%–4% all-in for individual customers — on €500,000 that is €10,000–€20,000. The percentage spread tightens with volume; private-banking clients moving €5m might see 0.5%–1.0%. Retail buyers transferring €100k–€500k almost never get that pricing.

How do I send a deposit to Portugal quickly?

For reservation and small CPCV deposits, Wise settles in minutes to hours. For larger deposits, a same-day broker spot trade settles in 1–2 business days. Keep €30,000–€50,000 floating in a

Portuguese or Wise euro account during active buying so no deposit ever depends on a same-day international wire.

Do I need a Portuguese bank account before transferring funds?

Strictly no — the lawyer's client account can receive and disburse. Practically yes, because a Portuguese account is required to draw down a mortgage, pay IMI, and set up utilities. ActivoBank, Millennium BCP and Bankinter open accounts remotely for non-residents on NIF + passport + proof of address + video KYC.

What if my home currency weakens significantly between offer and completion?

If you have hedged with a forward, nothing changes. If not, your home-currency cost rises in proportion to the FX move. The CPCV is binding in euros — you cannot renegotiate. If the move is large enough that you can no longer afford the balance, you forfeit the 10% deposit and lose the property. This is the single most expensive avoidable outcome in the foreign-buyer FX journey.

How does FX affect my capital gains tax when I sell?

Portugal calculates in euros only — not affected. UK, US, Canadian, Australian residents are very much affected: HMRC and IRS convert euro acquisition cost and euro sale proceeds at spot rates of those respective dates, producing a home-currency gain that can be very different from the euro gain. A flat or losing euro position can produce a taxable home-currency gain; a winning euro position can produce a home-currency loss. Section 988 also treats US euro-mortgage repayment as a separate FX event. Use a cross-border tax specialist before sale.

Should I open a Wise account or use my bank for the property purchase?

Both, in different roles. Use your bank for source-of-funds compliance (your bank knows you). Use Wise or a broker for actual conversion. Flow: bank → broker/Wise → Portuguese lawyer's account or your Portuguese bank account. Combining all three roles in your bank costs you 2–4% unnecessarily.

Can I avoid FX risk entirely?

Only by earning, owning, and spending in euros — which most foreign buyers will not do. The realistic objective is to *manage* FX risk on predictable cashflow events. Multi-currency accounts, well-timed spot conversions, and forwards on binding euro obligations cover roughly 80% of FX risk in a typical foreign-buyer lifecycle. The residual 20% is best managed by maintaining a euro buffer rather than constantly converting.

Conclusion

Foreign currency strategy is the most under-discussed and under-managed financial element of the typical foreign property purchase. It is the line item not on the lawyer's invoice, not on the mortgage broker's spreadsheet, not on the agent's commission calculation — and is, on most foreign-buyer transactions, larger than any of them. A 2–4% bank markup on a €400,000 wire is not a fee; it is a transfer of wealth from the buyer to the bank's treasury desk. A 7–15% unmanaged FX move between

offer and Escritura is unhedged exposure to a known cashflow event — exactly what forwards exist to eliminate.

The toolkit is unromantic: a Wise account, a broker relationship, one or two forwards at the right moments, a multi-currency account to operate from. On a €400,000 purchase plus a euro mortgage, using these tools competently costs roughly €2,500–€4,500 across the full lifecycle. Not using them costs €15,000–€40,000, and rises sharply if FX moves against you.

The most important habit: stop thinking of "the rate the bank quotes" as the rate. The interbank rate is the rate. Everything else is markup, and markup is negotiable. Three quotes — your bank, Wise, and one broker — on every transfer above €25,000. Forwards on every binding euro obligation longer than 30 days out. A multi-currency account for everything operational. That is the entire system.

Related reading

- **How to Get a Mortgage in Portugal Using Foreign Income** — the companion guide to this one, with the spread negotiation and DSTI mechanics. Currency-match arguments for the euro mortgage live there.
- **The Risk-Averse Buyer Guide** — the priced-mitigation framework that contextualises FX risk inside total purchase risk.
- **Taxes and Costs of Buying Property in Portugal** — the canonical reference for IMT, IMI, AIMI, stamp duty, and the operational status of Lei 9-A/2026.
- **When is the Right Time to Buy in Portugal** — for buyers debating whether to delay the purchase for an FX reason; the answer is usually no.
- **Buying Property in Portugal Without Being in the Country** — for buyers operating entirely remotely, where FX hops have to be choreographed precisely with notary and legal disbursement dates.

How 2nd Haus can help

2nd Haus does **pre-purchase FX and cost-stack reviews** for foreign buyers — independent of any bank, broker, or developer. We model the full euro outflow against your home currency and your specific timeline, identify the right channels at each stage, and write a memo your accountant or tax adviser can use directly.

Two ways to start:

- **Free 30-minute call** — bring your specific situation (purchase price, completion timing, home currency, income source, mortgage intent) and we tell you the three numbers you should be looking at and why.
- **FX cost-stack memo** — written memo with: spot vs forward decision per stage, broker shortlist for your currency, hedging recommendation for ongoing euro liabilities, home-country tax flags. 5 working days.

Direct: paulovogel@2ndhaus.pt · +351 963 639 042 (WhatsApp).

Sources

Primary and industry

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- Wise — Wise vs international bank transfers comparison
- Currencies Direct — Buying property in Portugal
- Smart Currency Exchange — Buying property in Portugal in 2026
- OFX — Currency forward contracts for individuals
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- Regency FX — Selling property in Portugal
- Good Money Guide — Best UK currency brokers 2026

Tax

- HMRC — capital gains on foreign property (sterling base reporting)
- IRS Section 988 — non-functional currency transactions (US filers)
- OCC — IRS mais-valias não residentes (Portugal)

Macro and rates

- BPstat — Euribor by tenor
- ECB — refinancing and deposit rates, May 2026
- Bank of England — Bank Rate, May 2026
- Federal Reserve — FOMC target range, May 2026

Last updated: 15 May 2026. Verified against CANONICAL_FACTS.md 2026-05-15. We refresh this guide quarterly — currency dynamics move materially and the broker landscape is competitive enough that pricing shifts.

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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