
Mistakes to Avoid When Buying Property in Portugal

All buyers wanting to avoid common pitfalls

TL;DR

- The avoidable mistakes on this list cost foreign buyers a typical €30k–€150k each — the catastrophic ones cluster in three moments (CPCV signing, the final wire, and the AL assumption).
- Three habits eliminate roughly 80% of the damage: hire your own lawyer before you sign anything, pay €400–€800 for an independent engineer's inspection, never wire money on the basis of an email alone.
- 2026 changed the maths. Lei n.º 9-A/2026 makes 7.5% the flat IMT rate for any non-resident residential purchase regardless of price — there are five carve-outs and they are not obvious. Plan the structure before you make an offer, not after.

Key 2026 stat: A non-resident buying a €400,000 second home in Portugal now pays €30,000 in IMT before notary, registry, lawyer and bank costs. A young Portuguese first-time buyer pays €0 on the same price. That gap is what most of this guide is about closing — through structure, due diligence, and refusing to sign anything you do not understand.

Why we wrote this

The dominant story sold to foreign buyers about Portugal is "easy market, friendly system, gentle process." None of that is wrong. None of it is what costs you money.

What costs you money is the gap between the marketing version of a Portuguese transaction and the operational one. The catastrophic mistakes we see are not stupid — they are predictable. They happen at three or four specific moments and almost always to people who hired the wrong professionals (or none), signed too fast, and trusted verbal assurances on issues that exist only in writing.

This guide collects the 30 mistakes 2nd Haus sees most often, organised in four phases (pre-purchase, during purchase, closing, post-purchase). Five anonymised case studies at the end show what each typically costs. Read it once before you start looking, and again the night before you sign anything.

A note on scope: this is the trunk guide. The specialist mistakes guides (investing, bank financing, legalisation, what agents won't tell you) go deeper on their respective topics. Where a mistake matters more for one of those audiences, we point you across.

Phase I: Pre-Purchase

1. Falling in love before due diligence

The most expensive mistake on this list is also the most human. You fly in for a long weekend, a property catches your eye, and within 48 hours you have shaken hands on a number. Foreign buyers feel pressure to "lock something in" before flying home, and sellers stage viewings accordingly — sunset visits, freshly baked bread, neighbours conveniently absent.

What to do: build a 72-hour cooling-off rule into your own process. Never sign a reservation, never wire a "good faith" deposit, never verbally commit during the trip you first see the house. Visit twice, ideally in two different seasons. Have your lawyer engaged before you travel.

2. Hiring the seller's recommended lawyer

The notary does not represent the buyer's interests in Portugal. When the listing agent says "our lawyer can handle both sides — faster and cheaper," they are recommending the most dangerous legal arrangement available to you. A lawyer who has worked for the seller, the agency or the developer for years has every commercial reason to keep the deal on the rails — they will not aggressively flag a defective licence, an undisclosed mortgage, or a suspect chain of title.

What to do: hire your own *advogado* registered with the Ordem dos Advogados, with no commercial relationship to the agent or developer. Typical cost 1%–1.5% of price plus VAT, often capped. (See *what-most-real-estate-agents-wont-tell-you* for the conflicts.)

3. Skipping the engineer's inspection

Foreign buyers from the UK, Germany or the US routinely assume Portugal works like home — surveyors are standard, structural reports expected. It is not true. The buyer almost never commissions a building survey, and the seller has no obligation to volunteer defects. So buyers discover *after* the deed that the pool was never legalised, the second-floor bedroom is an unauthorised extension, the roof needs €25,000 of work, or there is rising damp behind the fresh paint.

What to do: spend €400–€800 on an independent *vistoria técnica* from a qualified *engenheiro civil* or architect. They compare what is built to what is licensed, check structural, electrical and plumbing, and flag what to price into the offer. Under Portuguese civil law you have one year from discovering a hidden defect to notify the seller and a further six months to file suit — far easier with an engineer's pre-purchase report on file.

4. Buying without seeing in winter

The Algarve in August is paradise. The Algarve in January, with the wrong house, can be miserable: damp walls, no insulation, single-glazed windows, an oil heater costing €300/month. Many older Portuguese houses were built for summer, not winter.

What to do: if you cannot visit in winter, ask for last year's January–March electricity bills (the kWh tells you everything about insulation and heating). Ask the neighbours, not the seller, whether the house gets damp. Check for double glazing, insulation, heat pump or pellet stove.

5. Trusting verbal agreements

"The owner promised to leave the kitchen appliances." "The agent said the pool pump is new." "We agreed the price includes the boat shed." If it is not in writing, in Portuguese, signed by the seller, and ideally referenced in the CPCV — it does not exist. Sellers regularly strip houses between CPCV and deed: light fittings disappear, fitted wardrobes are removed, the agreed €5,000 of repairs never happens. With nothing in writing, your only recourse is a slow civil action.

What to do: list every fixture, fitting, included movable, repair commitment and timeline in the CPCV itself, with photos annexed. Any later promise gets an addendum signed.

6. Not getting NIF and bank account in time

Almost every step of a Portuguese purchase requires a NIF — for the CPCV, IMT, bank account, mortgage, and deed registration. Buyers routinely arrive three weeks before the deed assuming they can sort it locally, then discover the Finanças appointment is six weeks out. Non-EU residents need a fiscal representative just to obtain the NIF; the legalisation guide covers the mechanics.

What to do: get your NIF six to twelve weeks before any planned signing. Open the Portuguese bank account immediately after — most banks accept a signed letter of intent.

7. Underestimating total cost — and missing the 7.5% non-resident shift

The advertised price is not what you pay. On top sit IMT, Stamp Duty on the deed, Stamp Duty on the mortgage, notary and registration fees, lawyer's fees, mortgage arrangement and valuation fees, and (for non-EU buyers) translation and apostille costs. Realistic total: 9%–13% of price for a non-resident on a resale.

The 2026 change matters. Lei n.º 9-A/2026, de 6 de março (the legal instrument behind the "Pacote Fiscal da Habitação" branded "Construir Portugal") makes 7.5% a **flat IMT rate** on any non-resident acquisition of urban residential property, regardless of price. The complementary decreto-lei autorizado was promulgated on 12 May 2026 and must reach *Diário da República* by 2 September 2026 — until that DR publication the flat rate is not yet operational in practice, so the timing of your *Escritura* determines whether you pay flat 7.5% or the old progressive scale.

The five exclusions that bring you back to the standard scale:

1. You are already a Portuguese tax resident at acquisition.
2. You become Portuguese tax resident within 2 years (with right to IMT refund).
3. You are a Portuguese emigrant acquiring housing in Portugal.
4. The property is rented at *renda moderada* (\leq €2,300/month) within 6 months, for at least 36 of the first 60 months.
5. You are in official Portuguese state service abroad.

What to do: before you make an offer, model the full cost stack in writing with your lawyer. If you have any path to residency or moderate-rent letting, the carve-outs are worth tens of thousands. Allow a separate 5%–10% contingency for post-purchase surprises. (For the entry-tax detail see *taxes-and-costs-of-buying-property-in-portugal*.)

8. Currency complacency

If you earn in GBP, USD, BRL or any non-euro currency, every euro you commit to is a bet on the exchange rate. Between offer and deed, three to six months typically pass. A 5% adverse move on a €500,000 purchase costs €25,000 — more than your entire negotiation gain.

What to do: use a forward contract. A specialist FX broker locks today's rate for a payment up to 12 months out, usually with a 5%–10% deposit. You give up upside if spot moves your way; you eliminate the catastrophic downside.

9. Choosing the wrong location for the actual use case

A UK couple decides on Lagos because they once spent a glorious week there in their twenties. They buy a townhouse in the old town. Then they discover the shops shut at 14h00 in winter, the nearest hospital is in Portimão, the staircase is impossible for ageing parents, and the August tourist crush makes the place unusable as a peaceful retreat. They list eighteen months later, often at a loss.

Different goals demand different locations: retirement (hospital, year-round community, level streets), short-term rental (AL-permitted zones, walkable amenities), digital-nomad base (fibre, coworking, international airport), holiday home (low maintenance, secure when empty), legacy/family (schools, long-term value).

What to do: write down your top three use cases before you look at a single listing, in priority order. What makes a place a great holiday is rarely what makes it a great home.

10. Buying near a "future" project that may never happen

"The new metro will be here in three years." "There's a hospital planned." "The marina is approved." Portuguese planning timelines bear only a passing resemblance to the press releases. Major infrastructure routinely runs five to fifteen years late, and a meaningful share is cancelled or radically scaled back.

What to do: only buy on what exists today. Treat any future project as upside, not as part of your justified price. Verify any claim against the *Plano Diretor Municipal* and recent municipal news, not the agent's brochure.

Phase 2: During Purchase

11. Signing the CPCV without lawyer review

The CPCV (*Contrato Promessa de Compra e Venda*) is signed after offer acceptance and before the deed, with a typical deposit of 10%–30%. From the moment you sign, you are legally committed: walk without contractual cover and you forfeit the entire deposit; the seller walking owes you double (*signal em dobro*).

Buyers who sign at the agent's office without independent legal review have, on €500,000 properties, lost €50,000–€150,000 deposits because the contract had no mortgage condition, no deadline protection, or contained an obligation they did not understand.

What to do: never sign a CPCV without your independent lawyer reading and amending it. The agent will pressure you ("the seller has another offer"). Hold firm. The review takes 24–72 hours and is the single highest-leverage moment in the entire transaction.

12. Weak deposit clauses

Portuguese law gives the buyer a strong default protection: *sinal em dobro* if the seller defaults. But this only works if the CPCV is properly drafted, and many contracts presented to foreign buyers are sloppy templates that weaken or exclude these defaults.

A good CPCV explicitly states the deposit is paid as *sinal e princípio de pagamento*, sets out what counts as default for each party, includes *sinal em dobro*, and specifies a deadline by which the seller must clear any outstanding mortgage on the property before the deed.

What to do: insist your lawyer drafts or substantially amends the CPCV. There is no "standard" CPCV — the template the agent presents was written to protect the agent's commission, not your €500,000.

13. No financing condition (*Cláusula Suspensiva*)

If you are buying with a mortgage, the single most important clause in the CPCV is a suspension condition tied to mortgage approval. Without it, you owe the deposit if your bank ultimately refuses to lend — even if the refusal is for reasons outside your control, such as the bank's valuation coming in below the agreed price.

A proper financing clause suspends the CPCV's effects until the bank issues a binding mortgage offer for at least €X by date Y. If unmet, the contract is void and the deposit returned. Set the deadline realistically (45–75 days from CPCV) and front-load the application so you have alternatives if the first bank declines. (See *mistakes-to-avoid-with-bank-financing-and-mortgages* for the negotiation detail.)

14. Missing planning permission verification

Portugal is full of partially-licensed properties: a four-bed villa registered as a three-bed, a converted garage that never got permission, a pool added in 2008 with no paperwork, a roof terrace built when the council was looking elsewhere. The *Licença de Utilização* is no longer mandatory at signing since the 2024 Simplex reform, but it is still legally required for the property to be habitable, mortgageable, insurable, rentable and resaleable on normal terms.

Legalisation costs €5,000–€40,000+ and takes a year or more. If legalisation is impossible (e.g. RAN/REN land — see #20), the structure may have to be demolished. The deep dive on legalisation lives in *mistakes-to-avoid-with-property-legalisation-and-documentation*; the rule here is: never let an unresolved licensing discrepancy survive into the deed.

What to do: insist your lawyer verifies the *Licença de Utilização* and cross-checks it against the *Caderneta Predial* and the actual built footprint. Discrepancies are resolved before the deed, at the seller's cost where possible.

15. Skipping condominium minutes review

For apartments and gated developments, joint ownership comes with hidden landmines: pending works funded by a special levy (*derrama*) of €2,000–€20,000 per unit, ongoing disputes between

owners, leaks from the common roof not yet fixed, lifts due for replacement. None of this shows up on the *Caderneta*. All of it shows up in the *actas* (minutes).

What to do: request the past three years of condominium minutes and current quota statements. Have your lawyer read them. Under Portuguese law, the new owner inherits any debts the seller owed the condominium for the current and previous year.

16. Not checking AL allowance at the council

If your business case relies on short-term rental income (Alojamento Local), you must verify that AL licensing is permitted at this specific address before signing the CPCV. The 2024 reform (DL n.º 76/2024, in force since 1 November 2024) repealed the *Mais Habitação* restrictions, eliminated CEAL and the quinquennial re-authorisation, and made AL registrations permanent — but it devolved containment and growth-area regulation to municipalities, which can still block new registrations parish-by-parish.

Lisbon, Porto, Vila Nova de Gaia and a growing list of municipalities operate containment zones. Press reports have circulated specific Lisbon figures for early-2026 mass cancellations and a 10% parish cap; as of writing we have not seen these confirmed in a primary *Câmara de Lisboa* publication — treat such numbers as illustrative until you verify them directly with the *câmara* for the specific parish you are buying in. The EU short-term-rental regulation (EU Reg 2024/1028) applies from 20 May 2026 and requires platforms to delist hosts without a valid registration number.

What to do: check the *freguesia*'s current AL status with the *câmara* directly — never rely on the agent's assurance. If the property has an existing AL licence, ask in writing whether it transfers to a new owner at this address. If a transfer would extinguish the licence, the property has no AL value and the price must reflect that.

17. Trusting the agent's price comparison

The agent's "comparable sales" sheet is a marketing document. It selects favourable comps, ignores unfavourable ones, and frequently uses asking prices rather than achieved prices. In a market that has cooled in some segments while remaining hot in others, this matters: an asking-price-based comp can sit 10%–15% above what those properties actually transacted at.

What to do: pay €200–€400 for an independent appraisal (*avaliação*) from a registered *perito avaliador*. Cross-check using Idealista's price-history feature and the recent INE local-level data. Ask your mortgage bank for their valuation early — banks have access to the most reliable transaction database in the country.

18. Negotiating only price, not terms

Buyers fixate on the headline number. Sophisticated negotiators move on three or four other dimensions where the seller may have more flexibility: closing date, inclusions (furniture, white goods, art), repairs the seller agrees to complete before deed, and whether the seller covers the cost of any pending legalisations.

What to do: enter the negotiation with a written list of what you want on each dimension. Trade between them. A €15,000 reduction in price is worth less to you than €15,000 of pre-deed repairs done at the seller's cost — because you would otherwise pay 23% VAT and project-manage the work yourself.

19. Underestimating dual-contract risk

The "split price" or "dual contract" practice still occurs in some segments: the seller asks you to declare a lower price on the deed (to reduce IMT and capital gains tax) and pay the difference in cash or to a separate account. This is illegal. It exposes both parties to criminal tax fraud charges, voids your insurance and legal protections on the undeclared portion, and complicates any future capital gains calculation — you will pay tax on the gain from the *declared* low number. The AT is now actively cross-matching bank flows with declared deed values.

What to do: refuse politely but firmly. A seller who proposes a side payment is likely cutting other corners you have not yet discovered. Walk.

20. Not inspecting RAN/REN status of land

If the property includes land — particularly rustic or a quinta — its planning classification dominates everything you can and cannot do. RAN (*Reserva Agrícola Nacional*) protects high-value agricultural soils. REN (*Reserva Ecológica Nacional*) protects ecologically sensitive areas: dunes, watercourses, flood zones, cliffs, lagoons. Both carry severe building restrictions; new construction is mostly prohibited and existing structures may not be expandable. The 2025–2026 rural land reform created limited new pathways in certain rural classifications, but RAN class A1 soils remain effectively off-limits and REN coastal protection strips remain untouchable.

What to do: ask the council for a *planta de localização* showing the property's PDM classification with RAN and REN overlays. If you intend to build, extend or convert, get the council's position in writing before CPCV — a verbal "you should be fine" is worthless.

Phase 3: Closing

21. Wiring funds to the wrong account

Property wire fraud is real, growing and devastating. The pattern: at the eleventh hour the buyer receives an email — apparently from their lawyer or notary — with revised wire instructions, a new IBAN, sometimes new SWIFT details. The email is a forgery, the account belongs to a fraud network, and the moment the wire clears it is broken into smaller transfers across multiple jurisdictions. Recovery is almost impossible.

What to do: never accept wire instructions by email alone. Verify by voice call to a number from a previous trusted source (not a number in the email). Confirm IBAN, SWIFT/BIC, beneficiary name and address character-by-character. Send a €100 test transfer first and confirm receipt before the balance.

22. Signing the *Escritura* without a translator

The *Escritura* (final deed) is read aloud by the notary in Portuguese before signing. If you do not speak Portuguese fluently — and "I can order coffee" is not fluently — Portuguese law requires either a sworn translator present or a non-Portuguese-speaking buyer signs an explicit declaration that they understood the deed. Skipping this is a common shortcut that has come back to haunt buyers who later discovered a clause they did not understand.

What to do: book a registered translator (€150–€350) or give your lawyer a written power of attorney to sign on your behalf — they speak the language and have a fiduciary duty to you that the notary does not.

23. Forgetting the fiscal representative

Non-EU buyers must have a fiscal representative in Portugal both to obtain the NIF and to remain compliant after purchase. The representative receives all tax correspondence on your behalf — IMI bills, AIMI assessments, capital gains notifications, audit notices. Lose them without replacement and Finanças can fine you, freeze your bank account, declare your NIF inactive, and (critically) you will miss deadlines because the AT cannot reach you. Typical cost €100–€300/year. (Detail in *mistakes-to-avoid-with-property-legalisation-and-documentation*.)

24. Mortgage life-insurance trap

When you take out a Portuguese mortgage, the bank will offer (and sometimes insist on) a tied life-insurance policy as part of the bonification package. Bank-tied life insurance typically costs 1.5×–3× the same coverage from an independent insurer. Real-world examples: €500/year with the bank versus €100/year on the open market. Banks in Portugal cannot legally penalise customers with worse mortgage conditions for choosing external life insurance, provided the external policy meets coverage requirements.

What to do: get at least two quotes from independent brokers (*corretores de seguros*) before signing the mortgage, and make external life insurance a condition of the mortgage offer. Over a 25-year mortgage the savings are routinely €5,000–€15,000.

25. Not registering ownership change immediately

The *Escritura* makes you the owner contractually, but ownership only becomes effective against third parties when registered at the *Conservatória do Registo Predial*. Until registration, theoretically a fraudulent or simply forgetful seller could attempt to encumber the property again.

The notary normally triggers registration automatically under the modern *balcão único* arrangement, but this is not always automatic and not always immediate.

What to do: confirm with your lawyer the day after the deed that the registration was filed, and check the *Certidão Permanente* within two weeks to verify your name appears as owner.

Phase 4: Post-Purchase

26. Missing the IMT-exemption application

Some IMT exemptions and reductions are not automatic — they depend on a declaration submitted within strict deadlines around the deed. The most common: IMT Jovem for first-time buyers under 35 (full exemption up to **€330,539**, partial exemption between **€330,539 and €660,982** with only the excess taxed at the 8% marginal rate, in 2026), and the HPP exemption on the first **€106,346** of value for own-and-permanent-residence buyers.

Buyers who pay full IMT at deed because the exemption was not claimed in advance can sometimes recover it later, but the process is bureaucratic, slow, and not always successful. We have seen buyers leave €5,000–€20,000 on the table because the lawyer did not file in time, or because the buyer changed their mind about residence after the deed and never met the conditions.

What to do: confirm with your lawyer in writing, before the deed, exactly which IMT regime applies and what conditions you must maintain (typically: register the property as your tax residence within six months and live there continuously for six years).

27. Missing the first IMI deadline

IMI (*Imposto Municipal sobre Imóveis*) is the annual property tax, billed by the municipality. It is paid in one, two or three instalments depending on the amount owed, historically in May, August and November. The bill is sent to the address registered at Finanças — which, if you are non-resident, is your fiscal representative.

What to do: confirm your address and electronic notifications at Finanças within 30 days of the deed. Set a calendar reminder for late April each year. Set up *débito directo* through the Portal das Finanças.

28. Not setting up direct debit for utilities

Water, electricity, internet and condominium fees in Portugal are routinely paid by *débito directo*. Buyers who try to pay manually from abroad — or who never bother to update the account holder after the deed — accumulate overdue bills, lose service, and in extreme cases face legal collection.

What to do: change the account holder on every utility within 30 days of the deed. Set up direct debit on each. For absent owners, nominate an emergency contact (typically your fiscal rep or property manager) for paper letters.

29. Ignoring AIMI once total VPT crosses €600,000

AIMI (*Adicional ao IMI*) is Portugal's property wealth tax. It applies when the combined VPT (taxable value, not market value) of all residential urban properties you own in Portugal exceeds **€600,000 per individual** or **€1,200,000 for married couples filing jointly**. Rates: 0.7% on the band up to €1m above threshold, 1.0% from €1m–€2m above, 1.5% on anything beyond. Companies pay 0.4% with no threshold; offshore-held property pays 7.5%.

Buyers acquiring a second or third Portuguese property routinely cross the threshold without realising it, and discover AIMI when the assessment arrives in late August. For couples, electing joint taxation doubles the threshold and is usually advantageous — but it must be opted into.

What to do: track your combined VPT each time you buy. If you are approaching €600,000 and married, opt into joint AIMI taxation via the Portal das Finanças. If you are approaching €1,200,000, plan ownership structures with a tax adviser before adding the next property.

30. Failing to declare rental income (especially AL)

Many foreign owners assume rental income earned through Airbnb or Booking.com is invisible to the Portuguese tax authority. It is not. Since 2024 the major platforms report payouts to AT under EU DAC7 obligations — every booking, every payout, in real time — and the AT cross-references this against owners' declared income.

Undeclared rental income discovered through DAC7 triggers back taxes, penalties (50%–200% of unpaid tax), interest, and in serious cases criminal referral. AL-specific fines reach €40,000. Note also that since the 2023 reform, **non-resident capital gains** on Portuguese property are taxed on 50% of the net gain at IRS progressive rates (with worldwide income only counting for rate determination) — the old "flat 28% on the full gain" is gone, and so is the assumption that being non-resident keeps you below AT's radar.

What to do: declare every euro of rental income in your IRS return (Annex B for self-employed/AL, Annex F for traditional long-term rental, plus any IVA if you cross the threshold). Hire a Portuguese accountant who handles AL specifically — the regime has its own coefficients and deductions. Note the 2026 incentive: long-term contracts at moderate rent (\leq €2,300/month, term \geq 3 years) attract a flat 10% IRS rate on rental income through 2029.

Cross-Cutting Strategies

Use independent professionals. Your lawyer, engineer, mortgage broker, tax adviser and FX broker should each have no commercial relationship to the seller, the agent, the developer, or each other. Independence costs slightly more upfront and saves orders of magnitude in mistakes.

Get everything in writing, in Portuguese, in the contract. If it is not in the CPCV or an addendum signed by both parties, it does not exist.

Sleep on big decisions. No real seller and no honest agent refuses 48–72 hours to consider a major commitment. Pressure to decide today is itself the signal.

Apply the walk-away test. Before any major commitment, ask: would I walk away if the seller refused fair terms on this point? If the answer is no, you have already lost the negotiation.

Reference-check every professional. Ask your lawyer for two or three recent client references — buyers like you who closed in the past year. Call them. The 15 minutes of awkwardness is the cheapest insurance you will ever buy.

Five Case Studies (Anonymised)

Case A — The Algarve dream that wasn't. British couple, both 62, fell for a "fully renovated" three-bed villa in central Algarve in August 2024. They used the agent's recommended lawyer, signed the CPCV three days after viewing with a 20% deposit, and skipped the engineer's inspection. After the deed they discovered: an unlicensed pool, an unlicensed first-floor extension representing about 40 sqm, no *Licença de Utilização* on file, and rising damp throughout the ground floor. Total remediation: €68,000 plus 14 months of legalisation purgatory. Avoidable with €600 of engineer's inspection and a one-week pause to use an independent lawyer.

Case B — The deposit that vanished. US-based buyer wired €70,000 (15% of price) as CPCV deposit on a Lisbon flat. The CPCV had no mortgage suspension clause; the buyer's bank later valued the flat at €420,000 against the agreed €490,000 and refused to lend the requested amount. Buyer could not complete; seller kept the deposit. The clause that would have refunded the entire €70,000 would have been one paragraph long.

Case C — The AL licence that was never going to transfer. French buyer purchased a Lisbon Alfama apartment in 2025 specifically for the existing AL income (~€32,000/year net). The agent assured them the licence "transfers automatically." It did not — Alfama sits in a containment zone, and the licence's continuity was contingent on conditions the new owner did not meet. The application was refused. Income evaporated; mortgage payments did not. Property was sold 18 months later at a 9% loss. Avoidable with one written question to the *freguesia* before CPCV.

Case D — The wire-fraud near-miss. Brazilian couple closing on a Cascais villa received a polite, well-written email from their lawyer's address two days before the deed, with revised wire instructions for the €680,000 final balance. The IBAN was different. The buyer happened to call the lawyer to ask an unrelated question, mentioned "the new account," and the lawyer immediately raised the alarm. The email account had been compromised. The wire was held. Three other buyers in the same region that month were not so lucky.

Case E — The dual contract that became a tax nightmare. Northern European buyer agreed in 2018 to a "split price" on a €1.2m Algarve villa: €900,000 declared, €300,000 paid in cash. In 2024 they sold for €1.5m. Their declared capital gain was €1.5m minus €900,000 (the deed value), not minus €1.2m, costing roughly €84,000 in additional capital gains tax — significantly more than the original IMT they "saved." Plus exposure to a tax-fraud investigation that took 14 months to close.

Recovery: What If You've Already Made a Mistake?

Hidden defects. Under Articles 913–922 of the Civil Code, you have one year from discovering a hidden defect to notify the seller in writing (registered post with proof of receipt) and a further six months to file civil action. Remedies include repair, price reduction, or in serious cases rescission. Photograph and document everything from the moment of discovery; commission an engineer's report immediately to establish the defect existed before the sale.

Contract breaches. If the seller defaulted on a CPCV obligation, the *sinal em dobro* right gives you a path to double-deposit recovery — but only if the CPCV was properly drafted. Engage a litigation lawyer quickly; these claims are time-limited.

Wrong-house regret. No legal remedy. The mitigation is operational: list early in the buying season (March–May), price realistically against actual transactions, consider letting long-term while you decide, and treat sunk cost as gone for purposes of the next decision.

Fraud and wire-transfer loss. Notify your bank within hours, request a recall, and file a *queixa-crime* at the GNR or PSP. If the receiving account is at Wise or Revolut, use their fraud freeze portals immediately. Recovery rates are low but not zero, and time is everything.

Tax mistakes. Missed IMT exemption claims can sometimes be filed retroactively within a window. Late IMI can be paid with interest and surcharge but without criminal exposure. Undeclared rental income should be voluntarily disclosed before AT discovers it through DAC7 — voluntary disclosure substantially reduces penalties.

When to walk away from sunk costs. If the cost of rescuing a property exceeds the cost of selling at a loss and starting fresh, sell. Buyers commonly throw good money after bad on legalisations that never finish, renovations that exceed the property's improved value, or rental businesses that are structurally illegal at the address.

Conclusion

If you take only three things from this guide: (1) hire an independent lawyer before you sign anything, (2) get an engineer to inspect the property before you commit, and (3) never wire money on the basis of an email alone. Those three habits eliminate the majority of catastrophic outcomes.

Most of the rest is patience. The 2026 market still rewards buyers who refuse to be hurried, who model the full cost stack before the offer, who treat verbal assurances as worthless, and who walk away from a deal at the first sign that any of those things are being eroded. The honest sellers and the competent agents do not lose those buyers — they respect them.

The decisions you make this month are the ones the next decade has to live with. Take the time.

Related Reading

- **mistakes-to-avoid-with-property-legalisation-and-documentation** — the deep dive on *Licença de Utilização*, RAN/REN, the document checklist, and the legalisation process when something is wrong.
- **mistakes-to-avoid-with-bank-financing-and-mortgages** — how to negotiate spread, structure the *Cláusula Suspensiva*, and avoid the life-insurance trap.
- **what-most-real-estate-agents-wont-tell-you** — the structural conflicts of interest and how to verify an agent's AMI licence and history.

- **risk-averse-buyer-guide** — the priced mitigation framework for buyers who want to bound the downside before they commit.
 - **first-home-in-portugal** — the buyer-side companion for foreign first-time buyers, with the full 2026 fiscal package detail.
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How 2nd Haus Can Help

2nd Haus is a buyer-side advisory firm in the Algarve. We do not list property, we do not represent sellers, and we do not take referral fees from lawyers, banks or developers. Two services map directly to this guide:

- **Buyer-side audit (from €1,200)** — we review a property you have shortlisted, run the *Caderneta/Certidão/Licença/AL/condominium* checks, model the full cost stack including the 2026 IMT exposure, and tell you whether the deal is what the agent says it is. Output is a written memo you can put in front of your lawyer before you sign the CPCV.
- **Full buyer's representation** — search-to-keys, fee-based, no commission split with the seller side. For buyers in the €400k–€2m range who want one party whose only fiduciary duty is to them.

Book a 30-minute consultation at 2ndhaus.pt. The conversation is free; the second opinion is usually worth more than the call.

Sources

Primary

- Lei n.º 9-A/2026, de 6 de março — Diário da República
- DL n.º 76/2024, de 23 de outubro — DR (PDF) (AL framework)
- EU Regulation 2024/1028 — EUR-Lex (short-term-rental data sharing, 20 May 2026)
- Portal das Finanças — IMT Jovem
- Banco de Portugal — LTV, DSTI and maturity limits
- Civil Code arts. 913–922 (hidden defects); arts. 410–442 (CPCV and *sinal*)

Further reading

- PwC — IMT novas tabelas práticas 2026
 - Doutor Finanças — IMT 2026
 - Idealista — IMT 7,5% para não residentes
 - Câmara Municipal de Lisboa — AL containment zones (verify with the *câmara* for the specific *freguesia* you are buying in)
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Last updated: 15 May 2026. Verified against CANONICAL_FACTS.md 2026-05-15. The 2026 fiscal package is operationally fluid – the implementing decreto-lei arm of Lei 9-A/2026 must reach Diário da República by 2 September 2026. We refresh this guide quarterly and after any material legislative change.

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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