
Taxes and Costs of Buying Property in Portugal

Buyers wanting to understand the full cost of acquisition

TL;DR

- Acquisition costs add **6–10% on top** of the price (resale, no mortgage); **8–12%** with a Portuguese mortgage.
- The headline number is IMT. Everything else (Stamp Duty, Casa Pronta, lawyer, bank charges) is predictable once you know the price, residency status, and age.
- The "flat 7.5% IMT for non-residents" was approved (Lei 9-A/2026) but **is not yet operational** — the implementing decree-law has not been published. Until it is, the standard progressive table applies to everyone.

Key 2026 stat: In 2026 the IMT first-bracket HPP exemption was raised to **€106,346** and IMT Jovem now exempts under-35 first-time buyers in full up to **€330,539** and partially up to **€660,982**. For a €450,000 first home, a 34-year-old buyer pays **€5,557 of IMT** instead of €22,237 — a saving of nearly €17,000.

Introduction: Most Buyers Budget for IMT and Forget the Rest

The mistake we see most often is not under-estimating IMT — that one is easy to look up. The mistake is treating IMT as the whole story. A foreign buyer with a Portuguese mortgage pays Stamp Duty twice (on the price and on the loan), a lawyer, a bank arrangement fee, a bank valuation, two registrations, and a Casa Pronta deed. On a €750,000 villa with a mortgage, that stack can be €25,000 *on top of* IMT. Nobody tells you that on a listing page.

The second mistake — specific to 2026 — is acting on press coverage of the *Pacote Fiscal da Habitação* as if the headlines were already law. They are not. Lei n.º 9-A/2026 of 6 March 2026 is an *autorização legislativa*. The complementary decree-law that contains the operational rules was promulgated on 12 May 2026 and must be issued by 2 September 2026. Until it is published in *Diário da República*, the much-discussed 7.5% flat non-resident IMT does not exist in practice. The standard progressive scale continues to apply to residents and non-residents alike.

This guide is the 2nd Haus reference for **acquisition costs**: the taxes and one-off charges you pay to get the keys. Recurring ownership costs — IMI, AIMI in worked detail, condomínio, utilities — sit in the sister guide [The Real Cost of Owning a Property in the Algarve](#). Below you get the 2026 IMT tables with the exact *parcela a abater* values; the IMT Jovem regime with worked numbers; Stamp Duty on price and loan; mortgage charges itemised; capital gains rules as they actually stand post-2023; the status of the 2026 housing package; and four total-cost examples from €250k to €1.2M.

If you read nothing else, read the [worked examples](#). They are how we run the numbers for every buyer we work with.

Part I: Up-Front Taxes Paid at the Deed

Three taxes are settled **before** you sign the public deed: IMT, Stamp Duty on the price, and (for new construction from a developer) VAT, which is almost always already embedded in the listed price.

1.1 IMT — Imposto Municipal sobre Transmissões Onerosas de Imóveis

IMT is a one-off transfer tax paid by the buyer. The rate is progressive and depends on:

- The price or the **VPT** (Valor Patrimonial Tributário — the official tax value held by Finanças), whichever is higher
- Whether the property is your **primary, permanent residence (HPP)** or a secondary home
- Whether you qualify for **IMT Jovem** (age ≤35, first home)
- Whether the property is urban or rustic
- Whether it sits on the **mainland** or in **Madeira / Azores** (the autonomous regions use different brackets)

The mainland brackets were updated **+2.0%** for 2026 (Ofício Circulado AT n.º 40129/2026, 6 January 2026).

IMT 2026 — Mainland — Primary Residence (HPP)

Tax base (€)	Marginal rate	Parcela a abater (€)
Up to 106,346	0% (exempt)	—
106,346 – 145,470	2%	2,126.92
145,470 – 198,347	5%	6,491.02
198,347 – 330,539	7%	10,457.96
330,539 – 660,982	8%	13,763.35
660,982 – 1,150,853	6% (flat)	—
Above 1,150,853	7.5% (flat)	—

Formula: $IMT = (\text{tax base} \times \text{marginal rate}) - \text{parcela a abater}$

In the top two bands the rate becomes a **single flat rate applied to the entire price** (not progressive). That is why €1,150,854 costs roughly €17,000 more in IMT than €1,150,852. We discuss the cliff effect in [Part 10](#).

IMT 2026 — Mainland — Secondary Residence / Non-HPP

Tax base (€)	Marginal rate	Parcela a abater (€)
Up to 106,346	1%	—
106,346 – 145,470	2%	1,063.46
145,470 – 198,347	5%	5,427.56
198,347 – 330,539	7%	9,394.50
330,539 – 633,931	8%	12,699.89
633,931 – 1,150,853	6% (flat)	—
Above 1,150,853	7.5% (flat)	—

The key difference: there is **no exempt first bracket** for non-HPP — it is taxed at 1% from the first euro.

IMT 2026 — IMT Jovem (Buyers ≤35, First Home)

Tax base (€)	Treatment
Up to 330,539	Full exemption from IMT and Stamp Duty on the deed
330,539 – 660,982	Partial exemption: only the portion above €330,539 is taxed at 8% marginal (5th HPP band)
Above 660,982	No exemption — full HPP table applies on the whole price

Eligibility (must hold cumulatively):

- All buyers ≤35 years old on the date of the deed
- First acquisition of HPP for each buyer
- None has been owner of any other dwelling or building plot in the previous 3 years
- Not a dependent for IRS purposes in the year of acquisition
- Property must be registered as HPP

The exemption is also extended to **registration fees** for the first acquisition and the corresponding mortgage, up to the €330,539 ceiling.

Some guides circulating online quote a partial-exemption ceiling of €405,073 or €810,028. **That is wrong.** The legal partial-exemption ceiling for 2026 is €660,982, confirmed by Portal das Finanças and the AT *Ofício Circulado* for the year.

IMT — Other Property Categories

Property type	Rate
Rustic land	5% (flat)
Urban land without housing destination (offices, shops, plots for development)	6.5% (flat)
Property acquired by entity in a "blacklisted" jurisdiction (Portaria 150/2004 as amended)	10% (flat, no exemptions)

Worked IMT Examples — Mainland, 2026, HPP

Price	Band	Calculation	IMT
€200,000	7%	$200,000 \times 7\% - 10,457.96$	€3,542.04
€350,000	8%	$350,000 \times 8\% - 13,763.35$	€14,236.65
€500,000	8%	$500,000 \times 8\% - 13,763.35$	€26,236.65
€750,000	6% flat	$750,000 \times 6\%$	€45,000.00
€1,000,000	6% flat	$1,000,000 \times 6\%$	€60,000.00
€1,500,000	7.5% flat	$1,500,000 \times 7.5\%$	€112,500.00

Worked IMT Examples — Mainland, 2026, Secondary Residence

Price	Band	Calculation	IMT
€200,000	7%	$200,000 \times 7\% - 9,394.50$	€4,605.50
€350,000	8%	$350,000 \times 8\% - 12,699.89$	€15,300.11
€500,000	8%	$500,000 \times 8\% - 12,699.89$	€27,300.11
€750,000	6% flat	$750,000 \times 6\%$	€45,000.00
€1,000,000	6% flat	$1,000,000 \times 6\%$	€60,000.00
€1,500,000	7.5% flat	$1,500,000 \times 7.5\%$	€112,500.00

Always run the calculation on the higher of price or VPT. If the VPT held by Finanças is higher than what you agreed, that is the IMT base — not what you paid. Ask the seller for the *caderneta predial* before signing the CPCV, not before signing the deed.

1.2 The Lei 9-A/2026 Non-Resident Flat 7.5% — Status

Lei n.º 9-A/2026 of 6 March 2026 (the parliamentary arm of the *Pacote Fiscal da Habitação 2026*) authorises a **flat 7.5% IMT on residential acquisitions by non-residents**, regardless of price, with five

carve-outs:

1. Buyer already a Portuguese tax resident at acquisition
2. Buyer becomes Portuguese tax resident within **2 years** of acquisition (with right to IMT refund)
3. Buyer is a Portuguese emigrant acquiring housing in Portugal
4. Property is rented at moderate rent (\leq €2,300/month) within 6 months of acquisition, for at least 36 months within the first 5 years
5. Buyer is in official Portuguese state service abroad

Important: as of 15 May 2026 the **implementing decree-law has not been published in *Diário da República***. Promulgated 12 May 2026, deadline for DR publication 2 September 2026. Until then, the 7.5% flat rate is **not operational** — the standard progressive tables apply to everyone.

Once the DL publishes, three scenarios:

- **Signing before DR publication:** progressive HPP or non-HPP table.
- **Signing after, planning to become resident within 2 years:** elect resident-equivalent treatment by formal declaration; pay the standard scale; refund on residency confirmation.
- **Signing after, retaining non-resident status:** 7.5% on the entire price.

For €450,000 non-HPP, that is the difference between €27,300 and €33,750. At the bottom the swing is larger: a €250,000 non-resident acquisition jumps from ~€8,000 to €18,750. **In mid-2026 the timing of your deed relative to DR publication is a planning variable.** Ask your lawyer to track it.

1.3 Stamp Duty (Imposto do Selo) on the Deed

Flat **0.8%** of the higher of price or VPT, paid alongside IMT before signing.

Price	Stamp Duty (0.8%)
€200,000	€1,600
€350,000	€2,800
€500,000	€4,000
€750,000	€6,000
€1,000,000	€8,000
€1,500,000	€12,000

For IMT Jovem buyers under the €330,539 ceiling, this 0.8% is also **waived**.

1.4 VAT (IVA) on New Construction

A purchase directly from a VAT-registered developer is subject to **23% VAT** on the mainland (22% Madeira, 16% Azores). Listed new-build prices always **include** VAT — confirm in writing. The transaction is **also** subject to IMT and Stamp Duty (VAT does not replace them).

New in 2026: Lei 9-A/2026 introduced a **reduced 6% VAT** on construction and rehabilitation of housing for sale up to €660,982, or for rent at ≤ €2,300/month. Applies to the developer's input costs on qualifying projects, not directly to the finished sticker price. In practice it should compress mid-market new-build pricing through 2026–2027; whether developers fully pass it through is a market question worth watching.

If a developer quotes "+ IVA" or "IVA não incluído", multiply by 1.23 before any other calculation.

Part 2: Professional Fees

2.1 Notary / Deed Costs

The deed (*escritura pública* or, more commonly today, the simplified *Casa Pronta* procedure) is signed before a notary or at a Casa Pronta desk.

Service	Typical cost
Casa Pronta (one-stop deed)	€375–€700
Traditional notary deed	€600–€1,500
Power of attorney (procuração) — for remote buying	€60–€150

Casa Pronta is the standard route for clean residential deals and bundles the deed, the IMT/Stamp Duty receipts, and the registration in a single fee.

2.2 Land Registry (Conservatória do Registo Predial)

Casa Pronta includes registration. If you go through a traditional notary instead, registration of ownership (and any mortgage) costs **€225–€500** separately.

2.3 Lawyer

There is no legal obligation to hire a lawyer in Portugal. For a foreign buyer, signing without one is a bad bet. A Portuguese real estate lawyer will:

- Run due diligence (caderneta predial, certidão permanente, energy certificate, licença de utilização, encumbrances, condomínio debts, AL licence status if relevant)
- Draft or review the CPCV (contrato-promessa de compra e venda)
- Represent you under power of attorney at the deed
- Handle NIF, bank account opening, and post-deed declarations

Property price	Lawyer fee (1–1.5%)	+ 23% VAT	Total
€250,000	€2,500–€3,750	€575–€863	€3,075–€4,613
€450,000	€4,500–€6,750	€1,035–€1,553	€5,535–€8,303
€750,000	€7,500–€11,250	€1,725–€2,588	€9,225–€13,838
€1,200,000	€12,000–€18,000	€2,760–€4,140	€14,760–€22,140

Above ~€1.5M lawyers typically quote a fixed fee rather than a strict percentage. **Negotiate.** A 1.5% fee on a €1.2M deal is €18,000 + VAT for what is, mechanically, the same work as a 1.5% fee on a €300k deal.

2.4 Independent Valuer / Surveyor (Optional)

For older properties, anything with planning irregularities, or whenever you want a second opinion of value:

Service	Typical fee
Independent valuation (perito avaliador)	€300–€600
Building survey by an architect/engineer	€500–€1,500
Topographic survey (rural plots)	€400–€900

Cheap insurance against a €30,000 problem. We commission one for almost every deal above €400k.

Part 3: Mortgage-Related Costs

Financing with a Portuguese bank adds roughly **1.5–3% of the loan amount** in charges.

Stamp Duty on the loan (one-off): 0.5% for terms ≤5 years; **0.6% for terms >5 years.** On a €560,000, 25-year mortgage: €3,360.

Stamp Duty on monthly interest: 4% on each instalment's interest portion, added automatically. On €1,000 of monthly interest, €40. Shows up on the *FINE* (standardised European loan offer) under "outros encargos".

Bank arrangement fee: **0.5–1.5%** of loan amount as one-off *comissão de dossier / abertura*. On €560k that is €2,800–€8,400. Highly negotiable if you bring salary domiciliation, an investment account, or other revenue. See [Mistakes to Avoid with Bank Financing](#) for how to run a real three-bank tender.

Bank property valuation: €230–€350 (apartment), €350–€500 (house/villa). Mandatory.

Mortgage registration: €250–€350 at the Conservatória, on top of property registration. A Casa Pronta with mortgage usually totals €700–€800 across both.

Mandatory insurance:

Insurance	Typical monthly
Multi-risk home (€250k reconstruction)	€15–€35
Life (single borrower, age 40, €400k loan)	€20–€60
Combined envelope	€30–€80

Banks bundle and offer 0.05–0.20 pp spread reductions in exchange. **Almost always cheaper to shop the policies independently and assign (*atribuir*) them to the bank** – typically 30–50% cheaper over the loan life.

Part 4: Recurring Ownership Costs (Pointer)

This is acquisition territory. For full annual budgets covering **IMI, AIMI, condomínio, utilities, insurance, maintenance, IMI/AIMI/condomínio worked examples by sub-region**, the canonical 2nd Haus reference is:

→ [The Real Cost of Owning a Property in the Algarve](#)

The two facts you need before signing, however, are AIMI and the basics of IMI – because both depend on VPT, which is set at acquisition.

4.1 IMI in One Paragraph

IMI is the annual municipal property tax, on the **VPT** (not the price). Urban property: **0.3–0.45%** (each municipality sets its rate). Rustic: **0.8%** national rate. Blacklisted-jurisdiction ownership: **7.5%**. Algarve municipalities sit at the bottom of the urban range – Loulé, Albufeira, Lagos, Tavira, VRSA at 0.3%; Faro and Portimão at 0.32%.

4.2 AIMI Thresholds and Rates 2026 (Reference)

AIMI is the residential-property wealth tax layered on top of IMI. **Unchanged in OE 2026.**

Individuals / undivided inheritances:

Tranche of summed VPT (€)	Marginal AIMI
Up to 600,000	0% (deducted)
600,001 – 1,000,000	0.7%
1,000,001 – 2,000,000	1.0%
Above 2,000,000	1.5%

Married couples / civil unions (joint filing):

Tranche of summed VPT (€)	Marginal AIMI
Up to 1,200,000	0% (deducted)
1,200,001 – 2,000,000	0.7%
2,000,001 – 4,000,000	1.0%
Above 4,000,000	1.5%

Companies: 0.4% flat on full VPT (no €600k allowance); 1.0% above €1M; **7.5% flat** if the entity is in a blacklisted jurisdiction. A 1.5% surcharge applies to corporate-held property used personally by shareholders.

Worked single-individual example: VPT €900,000. First €600k exempt; next €300k at 0.7% = **€2,100 AIMI per year** on top of IMI.

For why corporate ownership almost never makes sense for a single property, see [Buying as Individual vs Through a Company](#).

Part 5: Costs of Selling

5.1 Capital Gains Tax (Mais-Valias)

Taxable gain = **sale price** – (acquisition price × inflation correction coefficient, if held ≥24 months) – eligible improvements (last 12 years, invoice + NIF) – acquisition costs (IMT, Stamp Duty, notary, lawyer) – sale costs (agent commission, energy certificate).

Residents: 50% of net gain enters IRS at the progressive scale (top marginal 48%, plus solidarity surcharge 2.5% above €80k and 5% above €250k). HPP roll-over: reinvest net proceeds in another HPP in EU/EEA within **24 months before to 36 months after** the sale; reinvested portion exempt. Lei 9-A/2026 extended the roll-over to reinvestment in residential property destined for **moderate-rent** rental (≤€2,300/month).

Non-residents: since the OE 2023 reform (post-*Hollmann* and successor ECJ cases), **all non-residents – EU and non-EU alike** – are taxed on the same basis as residents: 50% of net gain at

progressive IRS rates. Worldwide income is declared for rate determination only (not Portuguese taxable base). The previous flat 28% on 100% remains technically available but virtually never beneficial. Effective rates typically land between **6% and 24%** of the real gain.

Guides that still say "non-residents pay a flat 28%" or "only EU non-residents can elect the resident regime" are quoting pre-2023 law.

Eligible improvements: works on the property in the last 12 years, invoices issued to the owner's NIF – extensions, structural works, energy upgrades, full kitchen/bathroom replacements. Routine maintenance (painting, plumbing repairs, tile replacement) does not count. Keep every invoice from day one.

5.2 Other Sale Costs

- **Agent commission** (paid by seller): standard 5% + 23% VAT = effective 6.15%; 3–4% + VAT for exclusive/high-value mandates; 6–7% in some rural micro-markets.
- **Energy certificate:** mandatory before listing. €120–€350.
- **Mortgage cancellation:** bank early-repayment fee 0.5% (variable) / 2% (fixed); cancellation registration €50–€100.

Part 6: Inheritance and Donation

Portugal does not levy an "inheritance tax" in the conventional sense. It applies **Stamp Duty** on free transfers of Portuguese assets:

Recipient	Stamp Duty rate
Spouse, descendants, ascendants	0% (exempt)
All others (siblings, nephews, friends, unmarried partners outside recognised <i>união de facto</i>)	10% + an extra 0.8% on real estate

The 10% applies to the **VPT**, not the market value. No threshold for non-direct heirs.

Practical consequence: direct family transmission is essentially free – Portugal is one of the most attractive EU jurisdictions for residential inheritance planning. Lateral transmissions cost 10.8% – non-trivial on a €500k VPT.

Part 7: Total Cost — Four Worked Examples

Example 1: €250,000 apartment, Faro (resale, HPP, no mortgage)

Item	Amount
Purchase price	€250,000
IMT (HPP, 7% band: $250,000 \times 7\% - 10,457.96$)	€7,042.04
Stamp Duty 0.8%	€2,000
Casa Pronta deed + registration	€700
Lawyer 1.2% + VAT	€3,690
Independent valuation	€350
Total all-in	€263,782
On top of price	+€13,782 (5.5%)

Example 2: €450,000 house, Lagos (resale, HPP, no mortgage)

Item	Amount
Purchase price	€450,000
IMT (HPP, 8% band: $450,000 \times 8\% - 13,763.35$)	€22,236.65
Stamp Duty 0.8%	€3,600
Casa Pronta deed + registration	€700
Lawyer 1.2% + VAT	€6,642
Survey + valuation	€1,200
Total all-in	€484,378
On top of price	+€34,378 (7.6%)

Same buyer, age 34, IMT Jovem eligible: $IMT = (450,000 \times 8\% - 26,443.12) = \text{€}9,556.88$ (instead of €22,236.65). Stamp Duty waived on first €330,539 = **€2,955** saved. Total all-in falls to **~€467,000**, or +€17,000 (3.8%). **The age-35 cliff is the single largest tax variable in the system for sub-€660k deals.**

Example 3: €750,000 villa, Carvoeiro (resale, secondary residence, no mortgage)

Secondary residence — the HPP table does not apply.

Item	Amount
Purchase price	€750,000
IMT (secondary, 6% flat: 750,000 × 6%)	€45,000
Stamp Duty 0.8%	€6,000
Casa Pronta deed + registration	€750
Lawyer 1.2% + VAT	€11,070
Survey	€1,500
Total all-in	€814,320
On top of price	+€64,320 (8.6%)

Example 4: €1,200,000 villa, Vilamoura (secondary, €800,000 mortgage, 25 years)

Item	Amount
Purchase price	€1,200,000
IMT (secondary, 6% flat: 1,200,000 × 6%)	€72,000
Stamp Duty 0.8% on price	€9,600
Casa Pronta with mortgage	€800
Lawyer 1.0% + VAT	€14,760
Survey + valuation	€1,500
Subtotal property costs	€98,660
Mortgage Stamp Duty 0.6% × 800,000	€4,800
Bank arrangement fee 1%	€8,000
Bank valuation	€450
Mortgage registration	€350
Subtotal mortgage costs	€13,600
Total all-in	€1,312,260
On top of price	+€112,260 (9.4%)

Annual costs for the same buyer — IMI ~€2,400, AIMI ~€2,100 (on VPT ~€900k held alone), home + life insurance ~€1,000, Vilamoura condomínio €2,400–€6,000 — sit in [The Real Cost of Owning](#).

Part 8: IMT Exemptions and Reductions

HPP first bracket — €106,346. Urban property destined *exclusively* for own and permanent residence is fully exempt from IMT up to €106,346 in 2026 (was €104,261 in 2025). Automatic via Casa Pronta if you declare HPP on the deed.

IMT Jovem — buyers ≤35. Full exemption from IMT and deed Stamp Duty up to €330,539; partial above and up to €660,982 (only the excess taxed at 8% marginal); no exemption above €660,982. Full eligibility rules above.

Urban Rehabilitation (ARU). Property inside an *Área de Reabilitação Urbana* undergoing qualifying works: IMT exemption on the first transfer after rehab; 3-year IMI exemption (extendable for two more); reduced 6% VAT on the rehab works. Granted by the município after works are certified.

Other. Public utility entities, charities, certain real-estate investment funds under specific regimes. Developer's stock: IMT deferred during holding period (usually 3 years); triggered on eventual sale.

Part 9: Edge Cases and Gotchas

Company ownership. No HPP exemption, no IMT Jovem, AIMI at flat 0.4% on full VPT (no €600k allowance). Companies in blacklisted jurisdictions: **10% IMT, 7.5% IMI, 7.5% AIMI** — almost always net-loss territory. Full analysis in [Buying as Individual vs Through a Company](#).

Blacklisted jurisdictions. Portaria 150/2004 as amended by Portaria 292/2025/1 (Hong Kong, Liechtenstein, Uruguay removed effective 1 January 2026). Acquisitions by listed entities: 10% flat IMT, 7.5% IMI annually, 7.5% AIMI annually on full VPT, no reinvestment relief, no inheritance exemption. If someone has pitched you a BVI or Cayman wrapper, run the ten-year cost — it is almost always six figures worse than personal ownership.

Inheritance followed by sale. Acquisition value for CGT is the **VPT at the date of inheritance** (declared on Modelo 1). If the VPT was low and the property has appreciated, the gain — and the tax — can be substantial. Some heirs request a formal revaluation before selling.

Plot + construction. IMT on the plot at acquisition (urban land 6.5%, rustic 5%). Construction itself: 23% VAT on the works (or 6% if qualifying under Lei 9-A/2026), plus building permits and TRIU (varies by município).

Part 10: Tax Optimisation and Traps

Designate HPP carefully. If you will genuinely use the property as your main home, register it as HPP at Finanças immediately. That unlocks the lower IMT (or full exemption under €106,346, or IMT Jovem under €330,539), the IMI family deduction, and HPP roll-over on a future sale. Faking HPP — claiming a property you do not live in — is among the easier things for AT to detect and unwind.

Negotiate below an IMT cliff. Secondary-residence 8% band ends at **€633,931** (6% flat above on the whole price); HPP equivalent is **€660,982**. The big one is **€1,150,853**, where the rate jumps from 6% flat to 7.5% flat — adding ~€17,000+ on a marginal euro. Rarely crossed by accident; when it happens it is usually a furnished-property allocation gone wrong.

Allocate movables separately. Furniture, art, appliances, boats are not real estate and not subject to IMT or Stamp Duty. A properly itemised, separately valued furniture inventory shaves the tax base — but items must be genuinely movable, fairly valued, and documented. Honest range: 2–5% of price for a fully furnished property. Double-digit allocations attract attention.

Reinvest within 36 months. Upgrading your HPP? Time the new purchase inside the 24-before / 36-after window. Partial reinvestment shelters the corresponding portion of the gain.

Hold for inflation indexing. After 24 months of ownership the acquisition cost is indexed. A property bought in 2010 and sold in 2026 picks up roughly 25–30% on its basis.

Get IMT Jovem timing right. Claim at IMT payment, before the deed — no retroactive correction. If you turn 36 between CPCV and deed, you lose it. We have rescheduled deeds by two weeks to keep buyers inside the age limit.

Time the deed around the 2026 DL publication. Non-resident on a sub-€660k property: signing **before** the Lei 9-A/2026 decree-law keeps you on the progressive scale. Signing **after** without becoming resident locks in 7.5% flat. Difference can be tens of thousands.

Part II: Common Mistakes

1. **Budgeting only for IMT.** Stamp Duty, lawyer, registration, valuations together can equal IMT on a mid-range deal.
2. **Forgetting Stamp Duty on the loan.** Headline rate is not the whole story — add 0.6% one-off and 4% on monthly interest.
3. **Confusing VPT and price.** IMT and Stamp Duty are on the *higher* of the two. A "bargain" with a stale-but-high VPT can sting.
4. **Missing the IMT Jovem cutoff.** Age, dependent status, prior-ownership tests are checked at the date of the deed. If you turn 36 between CPCV and deed, fix the calendar.
5. **Overlooking AIMI.** Foreign buyers with two or three Portuguese properties often miss that combined VPT crossed €600k until the September bill arrives.
6. **Not registering as HPP.** Without the HPP designation you cannot claim reinvestment relief, the IMI family deduction, or the lower IMT bracket.
7. **Quoting service fees ex-VAT.** Lawyer, agent, notary fees are normally quoted before 23% VAT. Always confirm.
8. **Acting on the 7.5% non-resident IMT before the DL is published.** Headlines ran in February. Law not yet operational in May. Track *Diário da República*, not media coverage.
9. **Buying through an offshore vehicle "to save tax".** Costs more, every year, with very few exceptions. See the corporate-vs-individual guide.

10. **Ignoring condomínio debts.** Outstanding balances follow the property. Demand a *declaração de não dívida* before the deed.

Part 12: FAQ

Do I need a Portuguese NIF before I buy? Yes. You cannot pay IMT, sign the deed, or register the property without one. Non-EU residents need a fiscal representative in Portugal to obtain the NIF.

When exactly do I pay IMT and Stamp Duty? In the days *immediately before* the deed. The DUC receipts go to Casa Pronta or the notary; without them the deed cannot be signed.

Can I pay in cash? No. Property transactions over €3,000 cannot be settled in cash. Bank transfer or certified bank cheque only.

Are agent fees negotiable? Yes, especially above €500k. Many sellers achieve 4% + VAT by mandating an exclusive agent for 6–9 months.

I am 34 and buying my first home for €400,000 in Lagos. Do I get IMT Jovem? Yes, partially. First €330,539 fully exempt; remaining €69,461 in the 8% band: $IMT = 400,000 \times 8\% - 26,443.12 = \mathbf{€5,556.88}$ (vs €18,236.65 under the regular HPP table — almost €12,700 saved, plus ~€2,644 in Stamp Duty waived).

Is the lawyer's VAT deductible from a future capital gain? Yes — the gross fee (incl. VAT) is deductible.

Is the agent's commission deductible from my capital gain when I sell? Yes.

What is the deadline to declare a capital gain? On the IRS return for the year of sale (filed April–June the following year). Non-residents file Modelo 3 with the relevant annexes.

Can I designate a property as HPP if I split time across countries? Generally yes if you are a Portuguese tax resident (183+ days, or habitual abode) and the property is your main home. Holiday homes and remote-work pieds-à-terre alongside a foreign main residence do not qualify.

Is non-resident CGT still 28% flat? No. Since OE 2023 all non-residents (EU and non-EU) are taxed on 50% of the gain at progressive IRS rates. The 28% option survives technically but is almost never beneficial.

Conclusion

By European standards Portugal sits in the middle of the cost-of-acquisition pack. The headline tax — IMT — is mechanical: price, residency status, HPP intent, age. Add Stamp Duty, deed, lawyer, and mortgage stack, and the entire envelope is predictable to within roughly 1% in five minutes.

The traps are almost always *non-tax* traps: an inflated VPT you did not check, a stale condomínio debt that follows the property, an offshore wrapper that triggers the 10% IMT permanently, a

forgotten Stamp Duty on the loan, an IMT Jovem deadline missed by three weeks. In 2026 the new trap is the **gap between the headlines and the law** on the non-resident 7.5% flat IMT — approved but not yet operational, and easy to act on prematurely.

The right sequence is boring and works: get the *caderneta predial* and *certidão permanente* before signing the CPCV; calculate IMT on the higher of price or VPT; itemise mortgage charges in writing; track *Diário da República* if your timing matters; and confirm residency status and age at the **date of the deed**. With those five steps and the worked examples above on the table, there are no surprises at signing. This is one of the few parts of buying property in Portugal where the maths really is the answer.

Related reading

- [The Real Cost of Owning a Property in the Algarve](#) — the ongoing-cost companion to this guide. IMI, AIMI, condomínio, utilities, maintenance and four worked annual budgets.
 - [How to Get a Mortgage in Portugal Using Foreign Income](#) — LTV, spread, DSTI, stress test, what banks actually want from a non-resident borrower.
 - [First Home in Portugal](#) — the entry-level buyer playbook, with IMT Jovem at its core.
 - [Buying as Individual vs Through a Company](#) — why corporate ownership almost always loses on a single property.
 - [Mistakes to Avoid with Bank Financing and Mortgages](#) — how to run a three-bank tender and which charges are negotiable.
-

How 2nd Haus can help

We run **buyer-side acquisition cost modelling** for every client before the CPCV: a one-page cost stack for your specific deal — IMT under the right table, Stamp Duty on price and loan, lawyer and bank charges itemised, IMT Jovem checked, HPP eligibility confirmed, mortgage stack against two or three lenders. Where the 2026 housing package is in play, we model both pre- and post-DL scenarios so you can time the deed deliberately.

If you are negotiating and want the numbers run before you sign, **get in touch** — a single conversation has saved buyers we work with anything from €3,000 to €40,000 against the standard-pathway cost.

Sources

Primary sources

- [Lei n.º 9-A/2026, de 6 de março — Diário da República](#) (Pacote Fiscal da Habitação 2026)

- Decreto-Lei n.º 76/2024, de 23 de outubro — *Diário da República* (AL framework)
- Portal das Finanças — IMT Jovem
- Ofício Circularizado AT n.º 40129/2026, 6 January 2026 — IMT tables 2026
- Banco de Portugal — LTV, DSTI and maturity limits
- BPstat — Euribor por prazo (live)
- INE — Estatísticas de Preços da Habitação ao Nível Local
- Código do IMT (CIMT); Código do IRS (CIRS); Código do Imposto do Selo (CIS)

Further reading

- PwC — IMT novas tabelas práticas 2026
- PwC — Património no OE 2026
- Cuatrecasas — Reduced VAT & tax benefits for housing
- Doutor Finanças — IMT 2026
- OCC — IRS tributação de mais-valias imobiliárias auferidas por não residentes

Last updated: 15 May 2026. Verified against CANONICAL_FACTS.md 2026-05-15. We refresh this guide whenever AT publishes new IMT tables, the OE introduces material property changes, or — in 2026 — when the Lei 9-A/2026 implementing decree-law is published in Diário da República. If a number no longer matches your latest Finanças quote, write to us.

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](#)

© 2nd Haus Real Estate · AMI License 15284 · This guide is general information, not legal or tax advice. Verify against your own professionals before signing anything.