

Portuguese commercial real estate investment on the rise



Pedro Ferreirinha

There has been an unprecedented rise in both transactional and developmental activity in Portugal's commercial real estate sector in the last 18 months. Indeed, 2015 was a record year, with commercial real estate investment totalling over €1.8bn, according to a report by BNP Paribas. And the demand for Portuguese real estate assets has remained high in 2016, with foreign investors and funds, in particular, having a strong appetite. This presents a golden opportunity for Portugal's leading law firms, but they must expand to meet client demand, says Pedro Ferreirinha, partner in charge of the real estate and environment practice group at Vieira de Almeida (VdA).

"The challenge in this kind of market – where the pressure is on the demand side – is to have the capacity and the teams in place," says Ferreirinha. "Clients have to move fast on deal opportunities so you need the manpower to respond rapidly and efficiently to that, and that is our main

challenge right now." In order to meet this demand, VdA is recruiting and two associates have arrived in recent months, according to Ferreirinha.

The retail sector accounted for 55 per cent of the total commercial real estate investment in Portugal in 2015, but there is also growing interest in the residential, office, hotel and leisure sectors. This has been spurred on by foreign take-up of Portugal's 'golden visa' and non-habitual residents schemes, tax incentives for urban redevelopment projects, as well as by the fact that, with Portuguese banks and companies looking to divest their real estate portfolios, buyers can still find good value. Portugal has also benefited from the political and economic crisis in Brazil, which has led Brazilians across the Atlantic to look for better investment opportunities. "You get a lot of Brazilian investors," says Ferreirinha. "The language is quite clearly an aspect. The Brazilians feel very welcome here."