

Sun, Prices and Residence Permits Attract Russian Buyers to Spain and Portugal

By [The Moscow Times](#)

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LISBON — Spain and Portugal are trying to resurrect their moribund property markets by offering "golden" residence permits to home buyers from outside the European Union, and the most eager customers, real estate agents and lawyers say, are Chinese and Russians.

Buyers from China, Russia, the Middle East or elsewhere who spend at least 500,000 euros (\$675,000) on real estate in either country get a permit that lets them travel freely within Europe's 26-country Schengen zone without restriction.

The incentives, along with depressed housing prices, are showing the first signs of nibbling at the huge market glut of 3 million empty homes on the Iberian peninsula.

The Portuguese government said last week that 318 permits had been issued since the program began a year ago, bringing in 200 million euros in investment — most of it

in residential property in the last few months — and expected it to reach more than 300 million euros by December. That would exceed an estimated 250 million euros invested in all real estate in Portugal last year according to Cushman & Wakefield consultants.

Real estate agents say many Russians are interested in holiday homes to own or to rent out, while others seek peace of mind about visa-free travel or have an eye to leaving their country eventually.

Vladimir Sychov, 37, an advertising manager in Moscow, says he wants to have the chance to move to Europe should relations between the West and Russia deteriorate. He is buying a 510,000-euro beach apartment with some help from his in-laws. "One had better have a back-up plan ready," he said.

Vyacheslav Eshanu, head of PortugalEstate, a firm with offices in three Russian cities and in the Algarve, has so far struck five golden visa deals and says there is a steady demand for bargains from the Russian middle class.

"The golden visa seekers mostly buy just at the 500,000 euro limit. In fact, a 350,000 limit would be better," said Eshanu, adding that stories of Russians buying villas for millions in cash may be a thing of the past.

Under the golden visa law, the purchase money has to be transferred to a local bank and its origin explained to the Bank of Portugal to prevent money-laundering. Residence permits are only extended as long as property of the same value remains in the hands of the same person. Buyers also face normal local property taxes.

Spain, where the property market was bloated by a pre-2008 construction boom that turned to a 35 percent price crash, introduced a scheme similar to Portugal's last month.

In Spain, adverts for homes and other tourist attractions are being translated for Russian and Chinese property portals.

Websites in China and Russia offering properties from 80,000 euro flats to 15 million euro villas tout Spain's and Portugal's beaches, bars and restaurants, cultural attractions and universities, plus close air links to European capitals.

Greece has also followed Portugal's example this year, offering similar visas on 250,000 euros in property purchases, while Malta offers citizenship with investment of 650,000 euros.

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