



Property buyers pocket guide

Introduction to Madeira

Madeira, due to its quite exceptional year-round subtropical temperatures and with its Portuguese influence and friendly people is a growing destination for those searching for a quiet and safe escape in the sun, to either call home or to have as a year-round island getaway. Madeira is a charming all year island, where average temperatures tend to be a constant 18 to 25 degrees. Once you take a deeper look into Madeira, the overwhelming feeling is that of a safe place to be, Madeira has the lowest crime level in Europe.

The subtropical Madeira Islands are an ideal overseas property destination, located in the Atlantic Ocean, around 500 miles south west of the Algarve and 275 miles from the west African coast. Madeira is known as the Pearl of the Atlantic for its year-round flowers and is Europe's most revisited island destination. More than 60% of Madeira is a unique nature reserve with UNESCO World Heritage status. The island has a unique flora and abundant flowers earning a deserved reputation as a gardener's paradise.



Facts about property for sale in Madeira



Madeira has a healthy property market and currently is the second fastest growing area outside Lisbon in Portugal. The property prices are underpinned by foreign buyers with a demand for winter sun and the favourable tax scheme offered in the NHR regime.

Being a volcanic Island the Island has lots of mountains and of course, interesting and lovely sea views! Sea views in Madeira are very common, so if that's what you're seeking then you have found one of the best places on earth to find that wonderful view. We also offer some of the world's most beautiful mountains, and at various times of the year the islands will be covered in blooming flowers with the most delightful fragrance.

There are many types of property for sale on the Islands from delightful small quintas, large country houses, stunning modern villas and many stylish apartments that are dotted around the Islands' main centres. There are also many plots of land for sale and abandoned farm buildings that would be ideal restoration projects for DIY enthusiasts.

The majority of foreign buyers that choose Madeira tend to be looking towards retirement and relocation, many others are seeking a quality holiday home. At Dream Home Madeira, we tend to see our clients looking for new villas that will not require work and can be enjoyed from the very start. A new villa has the benefit of having no work to do and all the lifestyle to enjoy, for many people this is the perfect dream.

How to look for property in Madeira

On a map Madeira does not look very big at around 60 kms x 25 kms, however the Island has 4 microclimates and as the Island is very mountainous, the weather changes dramatically from one side to the other, high up in the mountains, the temperature is much lower than the coast. Some areas favour the Germans and some areas the Dutch and Swedish, the British, Belgian and French favour the sunny south coast. The Island is also much larger than it looks, it will take all day to drive around, due to the highly mountainous terrain, there are many exciting roads to discover.

The first thing we advise potential buyers to do is write a list of the things they wish to achieve in a property purchase in Madeira, try and have 10 things on your list, perhaps you want a secluded garden, a bungalow, a lift, four bedrooms a pool? Next please then think about location. Do you want sea views, if so how close to the sea? How far from the shops do you want to be? Where is the doctor's? Do I want an amazing mountain view?

Once you have found the ideal property and location, perhaps you want to know the property is structurally sound, that the foundations are solid. We will be delighted to organize a survey for you made by a qualified engineer, this should give you peace of mind and assure you of a good purchase. We always recommend using a lawyer for your property purchase in Madeira, he will represent your interests in your absence.



The legal requirements



Once you have decided to buy in Madeira you should also find a lawyer, solicitor or notary to look after your interests in the purchase process and in Madeira there are many that speak English. You can also give them power of attorney if you cannot be present yourself to sign documents. You will also need a fiscal number which is available from the local tax office. A fiscal number is required to open a bank account in Portugal.

There are two stages to the buying process. The first is the promissory contract between buyer and seller, on the condition of the property. This is a legally binding contract, prepared by a notary or lawyer and needs to be signed on licensed premises in Madeira. It should include the identity of both parties, the property or project details, confirmation of clear title, price agreed, deposit amount, date of deadline for signing the final deed and then for a resale property, use of the property in the interim period. The deposit is usually from 10 %.



Your obligation

Once the promissory contract has been signed and deposit paid, should the seller default he/she is required by law to repay twice the deposit amount to the buyer. If the buyer defaults they would also lose their deposit. Following this, the lawyer does searches and checks for encumbrances or mortgages on the property or land. These checks should include any planning restrictions, outstanding debts, charges or utility bills on the property or land, that any alterations comply with the habitation license and that the vendor is the registered owner of the property or land.

The deed

The second part is the deed and this is the point at which the property ownership is transferred to the buyer. As with the promissory contract, it is signed in front of the notary. The final contract is then sent to the Madeira land registry, the notary will issue you with a stamped copy of the deed. There is a fee for the land registry. You will also need to register with the tax office and all the utility companies.





Purchase taxes and costs

The total cost of buying a property in Madeira includes the purchase price and the closing costs, which vary from zero to 8% of this price, off plan projects can be significantly less if structured well. The biggest cost is property transfer tax or IMT and paid on a sliding scale from zero to 8%. There is a stamp duty that is a fixed rate of 0.8%. Notary, lawyer and registration fees are under 2%.

Here is the sliding table of IMT or property tax paid in Madeira

Until 92,407€	is rated at 0%
From 92,407€ until 126,403€	is rated at 2%
From 126,403€ until 172,348€	is rated at 5%
From 172,348€ until 287,213€	is rated at 6%
From 287,213€ until 574,323€	is rated at 8%
From 574,323€ and over	is rated at 6%

All properties in Madeira are subject to IMI or council tax and this is very low. Madeira is also Inheritance tax free.



Sending Money to Madeira to make a purchase

If you already have euros then the next step will be very easy, if you have for instance British pounds or Swedish krona then your property purchase will require the purchase of euros, for this you will need to find the most cost-effective, safe and easy way to move your money to Madeira to complete your purchase. Bank exchanges rate will be high and could cost you extra charges you can easily avoid. Also fluctuating exchange rates can both have an impact on your overall cost, but you can typically save up to 3% of the currency cost (yes it's a shocking figure) by working with a specialist currency firm. They can help you achieve outstanding exchange rates that are far better than normal banks. On a 250,000€ exchange, a currency specialist can save you around €7,000 by providing better rates compared to your high street bank. We advise registering with our currency specialists on the link below well before you find your ideal property, once you have found your ideal property, you are ready to act quickly.

Click here to register you
currency interest with
NU Currencies.
Be ready to act!



Moving your goods to Madeira



Madeira is an island and you will need to send your good here either by container transport or by the summer ferry link from the Algarve. If you are sending freight containers to Madeira, available options include shipping from northern Europe. Shipping containers is normally a slow process taking several weeks to arrive. It is also possible to share container shipping costs with another party also relocating to Madeira. It is important to be aware that containers are shipped to dockside, this means it is your responsibility to take arrangements to have your goods delivered to the new home from the docks. There are some companies who ship to Portugal, however you will require a Madeira specialist for container shipping to Madeira. Should you decide to purchase furniture here, Madeira has an extensive and quality range of furniture retailers.

Your settlement into Madeira

Any move to Madeira will need registration with the authorities, you will need a social security numbers, a health card and number, a family doctors and local registration for IMI council tax, water, gas, and electric services, you will also need to know how to pay bills here in Madeira and get registered for internet, TV and a phone. Our services include making sure everything you require for an easy transition into Madeira goes ahead smoothly. As a small family company we pride ourselves on the aftersales services we provide, rest assured years after your move, should you require help, we will still be here to help you in your time of need.



None habitual residency



The best kept secret of Madeira is the preferential tax regime for new, long-term residents, this is called the 'non-habitual regime' or NHR and is for new tax residents. The Portuguese government introduced the NHR regime in 2009 to encourage individuals and families to move to Portugal. It provides beneficial tax treatment for the first 10 years of residence and is open to those in employment as well as retirees. Qualification is restricted to those who have not been tax resident in Portugal for any of the previous five tax years. There are no other major requirements, it is very simple and often overlooked. Any income received from a UK or EU pension is exempt from Portuguese tax provided it is taxed in another country, and as there is many dual tax policies in act with Portugal, it means you can very possible have your pension tax free in Madeira. Cost of living in Madeira is very low, this all means you can quite possible have your dream lifestyle years ahead of when you have initially planned. Please contact us for more details.

NON-HABITUAL RESIDENCY
& *The Madeira Islands*

Main agents for Bespoke Villas



We are the main agents for the luxury building company 'Bespoke Villas' in Madeira, these are the best quality Villas built in the Madeira Islands and represent dream properties, they are built all along the south coast of Madeira Island and we would love to show them to you. This is the very best Madeira has to offer. We have access to several beautiful show homes, these are a delight to see and a pleasure to see your reactions!



Our promise to you



Philippe Vandermeulen

We are a real estate company and search agents for your ideal property in the Madeira Islands, we understand your requirements and what you would like to find, we also understand value for money, we have extensive contacts and a deep understanding of the market here in Madeira.

Please contact us and ask us your questions and express your requirements in the ideal property for you!

A warm welcome to Madeira

Lastly, congratulations for choosing The Madeira Islands for the location of your overseas property dream, now let's make it happen together!



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