

Algarve, Portugal: Europe's Most Famous Secret...





Algarve – Europe's Best Kept Secret

By Luis da Silva

Europe's most famous secret. That's how this part of the world is often described. Why? Because it has Europe's best beaches, Europe's best golf courses, one of Europe's friendliest folk, it's the chosen retirement destination for over 100,000 resident expatriates, and, added to all that, it's Europe's newest tax haven.

Several international publications have ranked Portugal as one of the best overseas retirement destinations, including the British broadsheet the *Telegraph*, which rated the country as the "2nd best place to retire abroad."

A safe region, with very little crime and a laid-back lifestyle for expatriates, this destination caters equally to families and retirees, due to the wide variety of cultural, nature-based, sporting, gastronomic, and other activities. Long a popular summer destination for sunseekers and a winter-stay retreat for those getting away from Northern Europe's colder months, the Algarve receives more than 5 million annual visitors through its airport alone, swelling the local population of approximately 350,000. Add to this the fact that it is the Portuguese people's preferred holiday destination and that the Spanish love to

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visits its wilder western coast, and you begin to understand why, at peak times, several million more come here to experience its beauty.

Expect to enjoy the lifestyle if you holiday, study, or retire here, but count on some frustration if you move to the region to work. Business bureaucracy and the shrinking of the economy because of the financial crisis of 2008, mean that the region is not the obvious choice for those looking for employment. Entrepreneurs, on the other hand, will find that the region's excellent communications infrastructure, pleasant working environment, and cheap and talented labor force, together with a range of EU and national incentives to encourage start-up activity, may well make this a preferred location for launching new business ideas.

If you are looking for a mix between the Algarve's historical roots and the spectacular beaches for which it is famous, then look no further than Silves and Lagoa. These two municipalities, located slightly west of center in Portugal's southernmost province, allow residents to experience the best the area has to offer.

Silves, nestled in verdant valleys surrounded by the country's largest citrus-growing area, and on the banks of the Arade



The immaculate main square in Silves

River, which is navigable to where it meets the sea at Portimão, offers a warm microclimate, and visitors here will feel comfortable all year round...but perhaps just a little flustered when temperatures soar in the summer!

Silves' undulating hills are located inland in the region known as the *barrocal* (pronounced "buh-rroh-kaal") and are covered with indigenous bush and scrubland interspersed with the triad of regional trees: olive, carob, and fig. The *barrocal* and its fauna contrasts sharply with the expanse of white sandy beach of its only coastal town, Armação de Pêra.



The Algarve's south-facing location protects it from climatic extremes

For a variety of beaches, hop over to neighboring Lagoa, with the capital town of the same name, which is a much smaller municipality located close to the ocean. Most of its activity is related to tourism around the coastal resorts towns of Carvoeiro (pronounced "kuhr-voo-ey-roo") and Ferragudo.

Here's <u>my video</u> tour of the area including the main towns covered in this issue of the *ORL*.



A quiet day at Silves market... Saturdays, stalls spill out onto the cobbled streets

With the Portuguese being the largest fish eaters per capita in Europe, finding fresh fish at one of the many daily markets is not difficult. Add to that a variety of fresh produce grown in the region and available in the local markets of both towns, and there is no excuse for unhealthy eating of any type! Wash your meal down with one of several local wines and you have the makings of a superb, yet healthy, gastronomic lifestyle.

Portugal has, according to a past *Bloomberg* report, the lowest cost of living in Western Europe. A variety of competing supermarkets in the Silves and Lagoa area make this area on average 30% cheaper than most European countries further north.

The Silves and Lagoa areas are positioning themselves as leaders in the retirement sector within the Algarve, Portugal, and Iberian Peninsula. Two of the region's pioneering projects in senior living will be launched in these two municipalities—see "<u>Making The Right Property Choice</u>" for more information.

Add to these factors recent legislation that allows many foreign residents to receive pensions tax-free in the country, and you would be hard pressed to find many similarly attractive retirement destinations in the heart of Europe.

The Next Big Thing



Just imagine taking a cooling dip in this crystal clear water

It's all about retirement. Portugal and the Algarve have been through major infrastructural investment such as highways the country has Europe's fifth best roads—and airports— Faro has already receives over 5 million passengers a year, equivalent to half the country's population. The Algarve is already a world-recognized tourist and golf destination... at last count there were 42 courses in less than 100 miles. Healthcare is good and some public hospitals have gained a reputation for excellence, as is the case of Faro Hospital and its cardiology unit. Investment in public facilities is visible in the modern sporting and pool complexes that exist in many towns.



Municipal facilities in the area are world-class

Major recent changes have been made to the legal and tax framework. The government has made it possible to earn pensions tax-free and there's no wealth or inheritance tax (more on this below in "Tax And Financial Matter"). The region is moving away from a physical infrastructure and facilities focus towards an ever-stronger services and lifestyle drive. The next big thing is a move to senior living communities, allowing residents to rent or buy, as well as a huge push towards positioning the country as Europe's most attractive tax-free destination for retirees.

The Lay Of The Land

The Algarve, located at Europe's westernmost tip, has an area of 4,996 square kilometers (1,930 square miles) and a resident population of 450,993 inhabitants. It has an average population density of roughly 90.3 inhabitants per square kilometer (or 233 inhabitants per square mile) and an entirely Atlantic coastline that measures about 160 kilometers (100 miles) in length.



Dive in at Caneiros—quintessentially Algarve

Lagoa's 23,000 inhabitants reside in an area of 88 square kilometers (34 square miles)—the second smallest municipality in the Algarve by area—with a population density of 261 people per square kilometer (or about 676 people per square mile). In contrast, Silves' population density is 54 inhabitants per square kilometer (or 141 inhabitants per square mile), with its 37,000 inhabitants scattered over an area of 680 square kilometers (262 square miles)—the largest municipality by area.

The region is geographically subdivided into three main areas, each of which contains some extraordinarily beautiful landscapes, and all of which are represented within the municipalities of Lagoa and Silves (* Source: www.visitalgarve.pt):

The coastal area is where most of the region's economic activity is concentrated. In terms of landscape, the Algarve



Olive and carob trees after pruning, against a backdrop of an Algarve ruin

coast is very diversified, varying between an abrupt and jagged coastline and extensive sandy beaches, inlets formed by lagoons, marshland areas, and various formations of sand dunes. The coastal area has a low altitude and consists mainly of plains, divided into fields and meadows.

The "Barrocal" area marks the transition between the coast and the mountains, consisting of limestone and schist. This area is also known as the "beira-serra" (literally the mountain edge) and is where most of the agricultural produce of the Algarve originates.

The hills occupy 50% of the territory and are formed from schist and some granitic rocks.



The great provider—the bountiful Atlantic

A Long, Nautical History

Lagoa's history is linked to the sea. Despite the capital city of the same name being inland, the fisherman's villages of Carvoeiro and Ferragudo played an important part in the fishing and fish-preserves industries. The villages of Estômbar and Porches were important centers in the Islamic and medieval periods; Porches became the leading center for the design and manufacture of pottery and has become synonymous with the center of the modern pottery industry in the Algarve.

Modern Lagoa meshes well with its ancient history. Cobbled streets, whitewashed houses with lace-patterned chimneys, and an abundance of fig, olive, almond, and carob trees, are all vivid memories of important aspects of what made this area unique.



The ancient and the modern sit side-by-side in Lagoa

Silves is also a municipality steeped in history. The presence of man during the Paleolithic period is confirmed by one archaeological site. The municipality was inhabited during the Neolithic period and the Bronze and Iron Ages, a fact borne out by numerous archaeological finds. Impressive megalithic monuments—*menhirs*—carved out of the region's red sandstone and limestone, are scattered across the municipality.

The Arade River was the route to the interior favored by the vessels of the Mediterranean peoples—Phoenicians, Greeks, and Carthaginians—who were drawn to the region by the copper and iron mined in the western Algarve. This much is evident from the archaeological site at Cerro da Rocha Branca—unfortunately destroyed—about half a mile away from Silves, which was inhabited from the end of The Bronze Age onwards. In the 4th century B.C., Silves boasted a strong defensive wall. In the ensuing centuries both the Romans and the Moors occupied it.



The Arade River Bridge near Portimao

Silves owes its existence to the navigability of the Arade River and to its strategic position atop a hill that dominates a broad swathe of countryside. It was possibly founded during the period of Roman rule, but it was with the Moorish invasion that began around 714-716 that Silves became a prosperous city. By the 11th century, it was the capital of the Algarve and according to some authors surpassed Lisbon in size and importance. At this time Silves was also a center of culture, home to poets, chroniclers, and lawmakers.

The religious and political tremors that rocked the Moslem world in the 11th and 12th centuries were felt in Silves too, where they manifested themselves in clashes between rival factions and frequent changes of ruler. King Sancho I took advantage of this internal division to lay siege to the city in 1189. His army was aided by crusaders from Northern Europe who were on their way to the Holy Land.

The fight for Silves was long and cruel and, according to chronicles of the time, many of its inhabitants perished, killed by hunger and thirst, or were slaughtered when the crusaders sacked the town. Portuguese rule was short-lived and in 1191 the city was recaptured by the Moors.

Despite having lost many of its inhabitants and much of its wealth, Silves was elevated to the status of Episcopal see and headquarters of the military government after the definitive conquest of the city in the context of the Christian occupation of the Algarve—1242 to 1249—which was concluded in the reign of King Afonso III.

The centuries that followed were a difficult time for Silves. With the severance of its former links with North Africa and the



Stunning blue skies offset the clean lines of Silves architecture

gradual silting up of the river, it found itself side-lined from the lucrative maritime trade. Consequently, its economic, political, and military influence dwindled, while places like Lagos, Portimão, and Faro grew in importance. Natural catastrophes like the plague, earthquakes, and fevers caused by the swamp that formed where the Arade had once flowed also contributed to the town's decline.

The coup de grace came after the Episcopal order in 1534 instructed the transfer of the Episcopal see to Faro. Silves was never to recover its past splendor and for almost three centuries it was a city inhabited by only a few remaining citizens.



Cobbled streets lined with traditional houses in Silves

In the second half of the 19th century dried fruit and, above all, cork breathed new life into the city, which became one of the main processing centers for those products. Today Silves has Europe's only cork museum as testament to the importance of that product to its economy. It is orange farming that today makes Silves the most important citrus producing region in Portugal. Due to its central location, Silves also plays an important role in the national transport infrastructure, with Tunes the main rail entry and exit point from the Algarve province, and the A2 and A22 highways, the most important routes within and from the Algarve, passing through the municipality. (* Source: www.visitalgarve.pt)

The World's Most-Stable Climate

World Weather Online states that the "Algarve enjoys one of the most stable climates in the world" with its moderate weather influenced by both the Atlantic and Mediterranean seas and its proximity to North Africa. Portugal has 3,300 hours of sunshine per year, one of the highest in Europe. The Algarve has a temperate climate and although bathed by the Atlantic, exhibits Mediterranean characteristics. Below are statistics for the province of the Algarve. Silves temperatures tend to be higher than the average for the region, given its microclimate which is much appreciated by many foreign visitors and residents.

Statistics	Temperature Mean Value	High Temp. Mean Value	Low Temp. Mean Value	Precipitation Mean Monthly Value	Relative Humidity Mean Value
Units	F° C°	F° C°	F° C°	Inches mm	%
Jan	53 12	61 16	46 7.7	3.2 78	77
Feb	55 13	62 17	47 8.4	3 72	77
Mar	57 14	65 18	48 8.9	1.6 39	71
Apr	59 15	68 20	51 10	1.6 38	68
May	63.9 17.5	72.3 22.4	54.5 12.5	0.9 21	64
Jun	69 21	78 25	60 16	0.3 8	65
Jul	74 23	84 29	64 18	0 1	60
Aug	74 23	84 29	64 18	0.2 4	60
Sep	71 22	80 27	62 17	0.6 14	65
Oct	66 19	74 23	58 14	2.7 67	71
Nov	59 15	67 19	52 11	3.5 86	75
Dec	55 13	62 17	48 8.6	3.9 94	77
Average	63 17.2	71.3 21.85	54.5 12.52	1.8 43.5	69.17

Sea temperatures vary from 14°C|57 °F in December, January, and February to 21°C|69 °F in July and August.

Safety First

Portugal ranks as the 17th safest country in the world, of a list of 153. Violent crime is very rare and petty crime is

Beautiful Beaches

limited mostly to opportunistic incidents during the busy tourist season.

The <u>OSAC report</u>, produced by the US Bureau of Diplomatic Security, confirms that Portugal has no indigenous terrorist groups. Organized crime is not a major issue with the exception of isolated Eastern European or other immigrant groups. Foreigners, however, are well integrated into Portugal's multi-ethic society and while the country remains predominantly Catholic, it is very tolerant of religious, ethnic, and cultural diversity.



Old people 'killer'

Highways in Portugal are an excellent quality and the A22 highway is no exception. Portuguese drivers, although at times prone to speeding and impatience (in common with many southern Europeans) are nonetheless quite peaceful. Incidences of road rage are uncommon. It is more likely that visitors will become frustrated by an encounter with a 50 cc car (called *mata velhos* or 'killers of old people' because the cars, little more than a shell atop a motorbike engine, don't have the safety features of modern vehicles) or with the occasional gypsy horse-drawn cart.

Lagoa, located on the busy EN125 road which also crosses the Algarve, is not considered an accident hot spot on what is otherwise one of the country's busiest regional roads. The city of Silves, situated further inland, is a driver's haven, with calm roads, respectful drivers, and no traffic jams.

112 is the national free number to call for most types of emergencies (from a fixed line or cellphone).



A spectacular beach at Marinha

Where to begin!? Silves' two beaches, Armação de Pera and Praia Grande, have blue flags awarded by the European Blue Flag association. Among Lagoa's 17 spectacular beaches, some require bathers to descend large flights of stairs into wondrous cliff-enclosed coves bathed by azure waters. Others allow you to pull up and stroll out onto the light-colored sand. Most beaches have lifeguards during the summer season. Many have restaurants or snack bars, some of which stay open all year round. You can see the beaches in this video.



An easier access to the beach at Centeannes

World Renowned Golf

The Algarve has an enviable reputation as far as golf is concerned. With Portugal voted Europe's 'Best golf destination in Europe in 2014' by the World Travel Awards, and the Algarve the gem of the Portuguese collection, it is no wonder

that hundreds of thousands of visitors are attracted every year to the more than 40 golf courses dotted along a stretch of little more than 75 miles.



A great place to relax and play—Gramacho golf course

The Lagoa and Silves golfing landscape is dominated by the Pestana Group, Portugal's top hotel group. The Pinta and Gramacho golf courses in Lagoa and the Silves Golf course allow players of all abilities to test their skills against a backdrop of some of the region's indigenous species of flora such as ancient carob and olive trees, combined with natural stone walls and artistic use of water features. With designs by famous US golf architect Ronald Fream, and South Africa's Nick Price, a round of golf here is an experience. The 5-star Amendoeira golf resort—with 36 championship holes designed by Nick Faldo and Christy O'Connor Jr—is one of the seven golf courses operated by Portugal's largest golf operator, Oceanico. For families or those who want to hone their pitching and putting skills, there is the 9-hole Vale do Milho course, with views to the Atlantic.

There are a number of specialist tour operators that not only book group golfing holidays but also arrange preferential tee times, discounts, and the all-important 19th hole arrangements!

Low-Cost, Universal-Access Healthcare

Portugal's healthcare system is broadly based on a universal franchise, which will not turn anyone away. Most hospitals will put patient before price (one of the reasons that the health system runs a deficit, but also the reason the country is generally known for its personalized and humane treatment of patients). With the tightening of financial controls, expect this to be slightly different if you are not resident or don't have a

European card. As in many European countries, state hospitals such as the one located at Portimão, 5 miles from both Lagoa and Silves, are normally better equipped for emergency situations than private hospitals. However, two large private hospital providers own and operate hospitals across the Algarve, with the closest being the Hospital Particular in Alvor. The hospital at Faro has an excellent reputation for cardiology and for successfully treating tourist visitors who have suffered heart attacks.

All residents are eligible to use the state's national health system, called the SNS (Sistema Nacional de Saúde). European residents should ensure that they are in possession of the European Health Card (EHIC), issued by their home country, and which guarantees them access to the health system in the country that they are visiting. Access should not be confused with cost, and some services may cost more or less than in one's home country, depending on the national policy in each of the 28 EU member states.



The traditional façade belies the modern clinic and pharmacy within

For non-Europeans retiring to Portugal, permanent residence authorization must first be issued by the SEF (borders agency) after the completion of usual background checks (see the "Residency" section below). The foreign resident must then register with their local health center, a simple process involving filling in some forms and having a local (owned or rented) address. Residents are assigned a doctor or in some cases go into a general pool, depending on the number of doctors per inhabitant (which can fluctuate with population growth or doctor retirements). Even without an assigned family doctor, there are general slots available and Lagoa, for example, runs a daily (including Saturday) local 'emergency' service, which can attend to up to 40 people who need see a doctor without an appointment, and who do not need the services of a hospital. Co-payment (if the person is not exempt) is €5 (outpatient copayments are around €7.75), regardless of whether one has an assigned family doctor or not.

Diagnostic exams are very affordable if ordered by a doctor within the SNS. The Clínica de Lagoa, a private diagnostic and complementary exam center, offers a range of exams via its agreement with the national health system, and most exams, such as ultrasound, X-ray, and mammography, will cost between €3-10 when prescribed by a doctor on the SNS. Several laboratories conduct blood tests at between 50 cents and €2. A full barrage of tests, including cholesterol, urine, and PSA (prostate tests for men) should cost between €15 and €20. A walk-in cholesterol test conducted at any local pharmacy will cost between €4-5.

It is recommended that foreign arrivals in the process of acquiring residence take out medical insurance for at least the first year, to cover bureaucratic delays and other unforeseen circumstances. Even thereafter, private medical insurance is not expensive when compared to the US and there are several private medical insurance providers available. IMG (including a policy which can be taken out even after your departure) and Bupa, for example, offer expat solutions and a range of national providers such as Medis and Multicare provide policies for those who are permanently in the country. There are also a number of brokers focusing on obtaining car and health insurance for foreign residents. Other foreign visitors not included in one of the above categories should ensure they carry adequate foreign insurance to allow them to use the national health system, which is of good quality.

Maló Clinic, founded by a Portuguese immigrant, is now one of the largest private dental clinics in the world, present in dozens of countries in the world and whose founder is regularly flown to the US to perform dental surgery on wealthy patients. A Maló Clinic can be found about 10 miles from Lagoa and Silves, but Silves has three dental clinics where a clean and check-up costs around €40-50 (free on most dental plans), and Lagoa has several foreign-language dentists. The climate of the region means that convalescence is both quicker and more pleasant than in many countries further north. Doctors and specialists are largely multilingual.

Eye tests at local opticians are free if eye glasses are purchased in-store. A number of promotions are available—a recent one

offered designer glasses with progressive lenses at €169. Consultations with ophthalmologists on the SNS are generally free but waiting times can be long.

One of our friends from the US needed to repair his \$6,000 hearing aid, an imported Norwegian make. The estimated cost to perform the repair in the US was \$900. He posted us the two hearing aids and €40-plus-postage later he had a fully functioning hearing aid at his home in Miami.



Eat like a healthy king ... Mediterranean-style

Health tourism is on the up in the region and the Algarve is well known for its health & wellness industry, with a number of spas in the region. A thalassotherapy center exists at Vilalara resort in Lagoa. And medical tourism is on the rise with several private hospital groups in the region investing extensively in the marketing of their services, primarily around discretionary (aesthetic) surgery, hip implants, and dental surgery. Although the region does not yet compete with the prices in more established medical tourism destinations, it places great emphasis on the pre-op preparation and post-op convalescence benefits that come with a warm, essentially dry (not humid) climate. Complementing this are the quality services and accommodation options, and a location within Europe.

Education And Culture

Silves is the location of one of the region's private universities. The Jean Piaget University campus, opened in 2002, focuses on health including undergraduate and Masters programs in the areas of nursing, occupational therapy, and pharmaceutics. It is in the area of physiotherapy, however, where it has garnered an enviable reputation. Its graduates



Silves city and castle from across the river

are spread across Europe, poached by many countries that have made the most of Portugal's woes post-2008 crisis. The trend is slowly reversing, with local projects providing a muchneeded source of employment for the qualified labor force. Residing in this area guarantees a flow of well-qualified health professionals, many of whom will, it's hoped, eventually find themselves supporting the region's senior residents.

Lagoa is one of the region's centers of international (foreign language) primary and secondary schools. The International School of the Algarve, which comprises two sections, one teaching the British and the other the national (Portuguese) curriculum, was established in 1972. Although it allows children of English-speaking residents to attend school in their native English tongue, residents with children of school-going age should bear in mind that the range of subject options and in some instances the quality of teaching may not be the same as an equivalent private school in the UK or USA. In recent years, a German school has opened and now shares its premises with the Dutch school. The area is now a multi-lingual, multicultural hub with native teaching in four languages.

Lagoa is also an artistic hub housing a thriving musical academy, a cultural academy, an art center, and some of the region's largest publications including Portugal's principal foreign newspaper, *The Portugal News*. The musical academy, which forms part of a multi-city musical project, is headquartered in Lagoa and has an active orchestra comprising of a strings, woodwind, percussion, and brass sections, with musicians aged from eight to 65!



Cultural activities abound year-round

The orchestra plays frequently at public events, television concerts, open air shows, and at the well-equipped auditorium in the town. Lagoa's cultural association, Ideas do Levante, promotes activities ranging from dance to music.



The Algarve's golden-sand beaches are but a small part of the Golden Visa program's attractions

Long-Term Living In Portugal

Read all about visas, residency, and citizenship options in Portugal here.

PASSPORT



Making The Right Property Choice

Start With A Rental

The Algarve is a popular summer rental market. A range of options exist in both municipalities. Long-term rentals represent a small percentage of the total rental market and private apartment and villa rentals, whose owners often only place properties on the market as an afterthought following a poor summer season, compete with long-stay hotel accommodation that offers various guest services that are not available in private property.



Year-round quality living in Salicos, Carvoeiro

Private rental is often a cost-effective and flexible way to have time to make permanent decisions. However, most rental properties are summer rentals—the most popular rental sites continue to be large property portals such as Homeaway, Holidaylettings, and Rightmove Overseas—and owners attempting to advertise properties as winter rentals inflate prices to hedge any loss of summer rentals. As a general rule, the winter rental values of properties in popular tourist areas are similar to the weekly values in the summer. A quick analysis in the area of Lagoa and Silves using a specialist long-term rental site bears out this observation, with long-term rentals of a studio apartment in Carvoeiro at US\$946 per month and a 2-bed apartment in Silves at a well overpriced US\$2,330 per month. The disadvantages of rentals negotiated directly with private owners include isolation, a lack of support in the initial phases and difficulties in dealing with the initial bureaucracy involved with any new country move, often exacerbated by the lack of knowledge of the local language.



An easy-access rental for the 50+ market

Historically, many visitors moving to the area, including firsttime visitors, have opted for purchasing real estate as a way of securing their permanence in the area. While this remains a popular option, the market is changing. The economic crisis of 2008 and the knock-on effect on the liquidity of the real estate market means that many people find themselves locked into a permanent solution while their personal circumstances demand ever-more flexibility. Many existing expatriates and prospective new ones say that if they had the choice they would not buy a retirement home or would at least experience living overseas, if possible within a community, before making a permanent move. Two groundbreaking rental projects will launch in the Silves and Lagoa area, which will



A villa in Presa da Moura provides first-class senior living

reinforce their reputation as leading expatriate retirement destinations. The Algarve's, and one of the Iberian Peninsula's first senior (50+) communities, with which I am involved, will begin operating in the fall of 2014, in the town of Carvoeiro. Aimed at the independent living market, it will offer a range of 4-star accommodation, and guests and residents will be able to choose from a 1-month try-before-you-move option, a 3-6 month winter stay, or permanent residence (including the possibility of opting out during the peak summer months). You can read more about the project at Algarve Senior Living (www.algarveseniorliving.com).

Expected to launch in 2017, a bespoke-developed senior village backed by a major Scandinavian group, will be developed less than 2 miles from the center of Silves on a 60 hectare (150 acre) site. A care home to cater for the increasing health needs of residents, will be included in a future phase.

With the variety of options on offer, and direct flights from dozens of global destinations, there is simply no excuse for not trying out the Southern European lifestyle before taking the plunge.

Take a look at <u>my property video</u> to get an eve better view of what's on offer in the area.

A list of short-term rental providers is in the Algarve "Rolodex."

Buying Real Estate

"Recent authoritative research by the OECD," as reported by the *Telegraph*, "highlights property markets in Portugal" as "a bargain" and "undervalued."

Portugal's property market is well-established. There is no restriction on the purchase of real estate and most land and property is sold freehold. The country's property registry system is centralized and very reliable. The law protects property, property rights, and the right to access and use one's own property.

Property buyers pay property purchase tax (*Imposto Municipal* sobre as *Transmissões* - IMT) on a sliding scale based on the property's taxable value, which has historically been lower (and often significantly lower) than actual values at which properties are transacted. In recent years, this gap has reduced as the government has revalued properties in order to capitalize on

an obvious source of tax income. The table below illustrates the values payable for each price interval, depending on the type of property.

IMT (own, permanent, residence)			
Value on which IMT applies (euros)	Tax (%)	Deduction (euros)	
Up to 92,407	0	0	
92,407 < value < 126,403	2	1,848.14	
126,403 < value < 172,348	5	5,640.23	
172,348 < value < 287,213	7	9,087.19	
287,213 < value < 574,323	8	11,959.32	
> 574,323	6%		

IMT (secondary residence)			
Value on which IMT applies (euros)	Tax (%)	Deduction (euros)	
Up to 92,407	1	0	
92,407 < value < 126,403	2	924.07	
126,403 < value < 172,348	5	4,716.16	
172,348 < value < 287,213	7	8,163.12	
287,213 < value < 550,836	8	11,035.25	
> 550,836	6%		

Land is taxed at a flat rate of 6.5% when it is rural or has nothing yet built on it.

Stamp duty is 0.8% of property purchase price. Annually, municipal taxes (designated IMI or *Imposto Municipal* sobre Imóveis) are charged on properties using a formula containing variables which include the size of the property, and how many luxury or entertainment items (such as pools, tennis court, etc.) it contains. Each municipality has the right to charge a slightly different IMI value, which range from 0.3-0.5% with rustic buildings (whose taxable values are normally very low) paying a value of 0.8%.

The Algarve was launched as a 'Mediterranean destination' in the 1960s and the town of Carvoeiro, located in the municipality of Lagoa, is one of the most popular resorts for foreign property buyers. Today, there is a range of real estate available, both new and resale, mainly 2- and 3-bed apartments and 3- and 4-bed villas. However, a studio apartment starts



Condos for sale in Presa da Moura, Carvoeiro

at around €70,000, a 1-bed apartment from €90,000 and a 2-bed from around €100,000. One-bed cottages, which are scarce, start at around €150,000, 2-bed resale townhouses from around €190,000, sea view 2-bed townhouses from around €225,000, and 3-bed villas from €275,000. A private villa on an acre of land with private tennis court and pool, and established gardens, can be purchased for €850,000. Fractional real estate in the area starts at around €50,000 for a quarter share of a 2-bedroom apartment on a golf course.



Apartments for sale in Silves

In Silves, new or nearly new 1-, 2-, or 3-bed apartments vary between \in 80,000 and \in 140,000. Villas start at around \in 350,000, and most have at least half-acre plots. Rural properties have large plots and even large urban plots with ruins and planning permission to build can be found at competitive prices. A 20,000-square-meter (five acre) plot with some sea views, containing a ruin and permission to build a house of up to 464 square meters (5,000 square feet) plus terraces, costs less than \in 500,000.

Mobile Home Paradise



Southern Europe's best motorhome destination

In a survey of motorhome owners, the Algarve was voted best motorhome destination in Southern Europe and Northern Africa (including Morocco). And Silves has gained the reputation of being the motor home capital of Southern Europe. Hundreds of motorhomes, from as far afield as Denmark, the UK, France, and Germany mix with the occasional Portuguese traveler to create a virtual community numbering as many as 350 vehicles. There have been some recent incidents of motorhome users being ordered by local police to leave, due to what they considered abuse of local health and safety rules, and parking in unauthorized zones (there are local licensed sites which include water and waste disposal facilities, as well as a Laundromat, for as little as €6 per day. Nonetheless, the majority of this community of people who spend up to five months in their motorhomes in Southern Europe and some of whom have visited the area as many as 11 times, are law abiding and respect local rules and take care to exhibit good manners in sharing space with other expatriate neighbors. They make a significant contribution to the local economy during the guiet winter months, frequenting local restaurants and shopping at local grocery stores and the Silves market.

Tax And Financial Matters

Portugal has no inheritance tax; if you rent a property you will also not be liable for any wealth taxes, which only exist in the form of annual property taxes on real estate which you own.

Anyone who has not been resident in Portugal for the previous five tax years is entitled to obtain residence under the Non-Habitual Resident law, which entitles most people to receive pensions and foreign income tax-free for 10 years. Under the same law, for any professions included on a list published by the government and which includes company directors, accountants, IT professionals, engineers, architects, people in the medical profession etc., the personal income tax rate for any work conducted in or billed from Portugal is capped at 20% (plus any surcharge due to the fiscal emergency measures, totaling 3.5% in 2013). This is well below the maximum 46% top tax bracket in the country. The procedure to register as a NHR involves registering with a local tax office and providing simple supporting information. (See above "Becoming A Resident" for more details.)

Portugal has a double tax treaty with the US (signed in 1996) and with Canada (signed in 2001).

The strength of the euro versus the U.S. dollar in recent months has eroded some of the competitiveness of local prices from the point of view of arriving US visitors, but as exchange rate fluctuations are constant, anyone considering emigration should plan their currency requirements well in advance.

Sales tax (*Imposto sobre o Valor Acrescentado* – IVA) is charged nationally, based on the type of product or services. IVA rates are high, ranging from some zero-rated services to 6% for basic products and 23% at the highest tier. IVA is included in all products and services. However, due to the high rates, some service providers do not issue a formal IVA-compliant receipt unless specifically requested to do so. In order to combat this tax avoidance, the government has implemented several innovative schemes to bring more transactions within the system, including raffling off luxury cars. Anyone issued an official IVA invoice is automatically eligible to win, but the provider is automatically flagged in the system if they have been avoiding tax. So the government has cleverly put the taxpayer to work for them to collect taxes.

Banking in Portugal is sophisticated and easy, and most transactions can be done online with no need to ever enter



When finance becomes too much...remember, the good things in life are free

a branch other than to open an account. Deposits are guaranteed up to €100,000 under European law.

Cash withdrawals from Portuguese bank accounts are free: Portugal was one of the world's first countries to implement a shared banking platform to which all banks are linked and so ATMs, which are easy to find in most locations, allow free access to withdrawals, online payments, statements, and in some cases deposits. Payments or withdrawals using foreign cards and foreign accounts can also be done using the same machines, but subject to usual costs charged by the issuing bank. All major credit cards are accepted. Foreign exchange is easy and all banks and most of the world's Forex companies operate in the country.

Anyone operating a business in Portugal after having run one in the US or the UK, for example, will find it more difficult here. Although the Algarve has a Citizen's Store (*Loja do Cidadão*) in Faro, which allows you to deal with all government departments, from finance to social security and even registering the name of the company, in a single day and location, annual returns which must be validated by a TOC (an 'official' accountant registered with a central professional body), the complexity of IVA returns, and the social security burden on the employer, make the country bureaucratic. The government is working on methods of simplifying this and automation has seen a huge improvement in service levels, but the underlying procedures and multi-stage approvals are still cumbersome.

Tax returns are reasonably easy to complete online, although there are limitations on the state's computer system and online availability near the start or end of submission periods. It is recommended that you seek assistance from a professional tax adviser or accountant for your first tax return. Thereafter, with some support from the Ministry of Finance's informative and multi-lingual <u>online portal</u>, you should be able to complete the annual return.

As with most countries, it is advisable that advice is sought from one of several specialist firms, several of which have long-standing experience in the region. The cost of a residency application under the Golden Visa program will cost in the region of €6,000 (with each renewal around €3,000), while dealing with an application under the Non Habitual Residency program will cost between €1,500-3,000, depending on the law firm involved. Many people also prepare a will or testament to ensure that no confusion arises between countries as to their final wishes in case of dying in Portugal.

Live Like A King For Less

The cost of living in Portugal is generally among the lowest in Western Europe. Some items, such as fuel (around \in 1.30/ liter or about US\$5/gallon), electricity, second hand cars (Ford Focus 2012 diesel between \in 12,000 and \in 20,000, Audi A4 Avant diesel starting at \in 40,000) and electronic items such as appliances and technology, are much more expensive than in the US, but basic items are very competitive, especially when compared to Northern Europe. I have provided a list of items (right) including discounted prices, which occur when one of several large supermarkets or hypermarkets run specials. These discounts typically run for a week, starting on Tuesdays. The keen grocery bargain hunter should also remain alert to extended weekend specials. With careful planning, residents are able to find discounts on some essential items every week.



Piri-piri, freshly picked veg, and local honey at the indoor market

Most foreigners find the cost of eating out to be very reasonable. In fact, for a retired couple, it is often as costeffective to eat out and warm up leftovers in the evening (portions in Portugal are generous). Local supermarket chain Pingo Doce operates a number of family friendly restaurants where meals, all prepared daily, cost €3.99 plus the price of a drink. Some even run a daily special including a drink and bread roll for €3.50. Local restaurants, with which most new arrivals quickly become familiar, value regular trade and it is possible to negotiate a meal for two including soup, main meal, soft drink (or glass of wine), and coffee for €10. Do not expect a fancy ambience or service frills, but the quality of the Here's a sample of goods from a shopping cart of items from local supermarkets and markets. My complete shopping cart can be viewed at the online "<u>Algarve Shopping Cart</u>." Remember: one U.S. dollar is about 73 euro cents.

Prices are per kilo (divide by 2.2 to obtain the price per pound). Fish is weighed and priced before being cleaned. With few exceptions, markets and supermarkets will clean fish on request immediately after selection by the customer. Meat is cut according to client needs (unless prepackaged) and minced once or twice, depending on client wishes.

Grocery Item	Price (€)	Discounted price (€)
Bread (loaf)	€1.10	€0.80
Bread (traditional loaf)	€0.59	€0.49
Milk, half-fat/semi-skimmed (long-lasting, 1l)	€0.59	€0.30
Water (5I)	€0.52	n/a
Wine, table (750 ml)	€3.50	€1.99
Wine, good quality (750 ml)	€5.99	€3.99
Carrots (kg)	€0.79	€0.39
Potatoes (kg)	€0.50	€0.30
Onions (kg)	€0.64	€0.55
Lettuce (kg)	€1.29	€0.99
Rice (kg)	€0.68	€0.58
Apples	€1.69	€0.99
Bananas	€0.99	€0.69
Spaghetti (kg)	€0.34	€0.30
Fish (sea bass, sea bream, kg)	€4.99	€3.99
Cheese (kg)	€4.99	€4.19
Ham (150g)	€1.99	(220g pack) €0.99
Coffee (Nescafe 100g)	€2.79	€2.09
Beef, steak (kg)	€9.99	€5.68
Beef, lean mince (kg)	€5.99	€3.98
Chicken (kg)	€1.79	€1.49
Sugar (kg)	€0.99	€0.79
Salt (kg)	€0.20	n/a
Fuel/gas (unleaded) (I)	€1.55	€1.44
Fuel/gas (diesel) (l)	€1.35	€1.24



Some favorite expat meals: piri-piri chicken and bacalhau (cod)

food is excellent for the price. Finding the preferred, low price local restaurant is a favorite past-time of most expatriates.

Buyer beware: whenever you see a menu in multiple languages, expect to pay more as the restaurant is targeting a foreign tourist market. If you want authenticity at a low price, look out for the "*Pratos do dia*" (dishes of the day) signs scribbled on a blackboard or paper stuck to the entrance. Prepared in larger quantities and with different fish and meat dishes every day, this is the way to get a tasty local meal for around €5-6.50. Be prepared to get by with sign language, basic English words, a phrase book, and a friendly smile, and you will save yourself money when eating out.

Eating out in Carvoeiro and Silves are two different experiences. Try Silves if you want authentic Portuguese eating. Strangely, one of the region's most famous seafood restaurants, Rui Marisqueira, is located in the inland city! But a visit to Rui's is not complete without tasting their carob tart, freshly made and delivered from a local pastry specialist. They don't always have it, but don't miss it if it's in the pastry display. Move next door and try the suckling pig at Fernando dos Leitões. Popular with many tourists are the chicken restaurants that are located on the road next to the river. Arrive early and don't expect to see a menu. They do portions and half portions of freshly grilled chicken (the chef does it under a plastic tarpaulin where the temperature of his 'kitchen' is often hotter than the grill!), freshly fried chips, and salted and seasoned lettuce and tomato salad. Keep ordering portions until you are full... you'll be surprised when you are handed the very reasonable final bill.

On the way between Silves and Lagoa is the Barradas restaurant, pricey by Portuguese standards but with great options and an impressive wine selection.

When reaching Lagoa and especially the village of Carvoeiro, you will be spoilt for choice. The town has a famous hill that is packed both sides with commercial establishments, most of which are restaurants of all types: traditional Portuguese, Italian, Chinese, Thai, the odd English or Irish pub, and even some vegetarian options. Ele & Ela is consistently ranked highly by its diners for its excellent cuisine, and two stand-out quality restaurants are located on the road between Carvoeiro and Sesmarias: Hexagone and Bon Bon. If it's cheap and filling Portuguese fare you are after, try one of the many options around the Fatacil fair grounds.



Outdoor, gourmet eating

A full meal in a cheap restaurant will cost you around €8 including drink and coffee. Expensive restaurants will cost between €35-50 per head, including good wine. On average expect to pay between €15-20 for dinner. Lunch is usually cheaper as most people do not order wine, and menus often have quicker and easier-to-prepare options.

Algarve Monthly Budgets

These monthly Algarve budgets are per person, assuming a comfortable, quality lifestyle:

Item	Own property bought for cash	Quality private rental	Rental in 4* senior village	
Accommodation	€0	€600 (per property)	€800 (per person)	
Cleaning, washing (linen)	€120	€120	€0	
Utilities	€100	€100	€0	
Electricity (/kwH) ***	€0.18	\$0.25	n/a***	
Water (/m³) **	€0.24	\$0.33		
Groceries	€200	€200	€200	
Entertainment	€250	€250	€225	
Preventative medical	€150*	€150*	€0	
Medical expenses	€250	€250	€250	
Gardening	€75	€0	€0	
Pool maintenance	€20	€0	€0	
Cable TV, wireless	€35	€70	€0	
TOTAL	€1,200	€1,740	€1,475	

* May be partially covered by insurance

** Value based on lowest level, price increases as consumption increases.

*** The possibility of dual-rate (peak/off-peak is available, which is either late at night, early mornings or part of the weekend)

Conservative budget, per person, 1-bed apartment with a more frugal lifestyle:

Item	Own property bought for cash	Basic rental
Accommodation	€0	€450
Utilities	€100	€100
Electricity (/kwH) **	€0.18	\$0.25
Water (/m ³) *	€0.24	\$0.33
Groceries	€200	€200
Entertainment	€50	€50
Medical expenses	€50	€50
Cable TV, wireless	€35	€35
TOTAL	€435	€885

* Value based on lowest level, price increases as consumption increases.

** The possibility of dual-rate (peak/off-peak is available, which is either late at night, early mornings or part of the weekend)

An eating out budget:			
Meal out (3*) 2 courses, coffee, soft drink, per head	€8.50	\$11.79	€4.50
Meal out (5*) with bottle of wine, per head	€30.00	\$41.62	n/a

1 Assumes two weekly cleans and one linen change per week

2 Water and electricity; assumes no use of gas.

3 Assumes one meal out per week, 1 tourist visit per month, regular classes of 1 type of activity

4 Includes regular measurement of key indicators, periodic physiotherapy, monthly consultation with GP, and consultation with pharmacist

5 Assumes private medical insurance cost and co-payments for 1-2 doctor visits per month

6 Assumes use of public health system only with the occasional private medical expense

No Language Worries In The California Of Europe

The Portuguese, according to CNN's Friendliest Countries report, are the "7th most welcoming people in the world." The World Economic Forum ranked Portugal as 7th (among 140 survey nations) most-welcoming nation when receiving foreign visitors. In the field of language the Portuguese go above and beyond the reasonable to ensure that guests are made to feel welcome in their own tongue. Portuguese is a difficult language to master but some basic knowledge will accelerate integration and make simple daily tasks easier. Some language schools exist but there are well-qualified freelance language teachers who teach Portuguese at each student's pace.

The Association of Foreign Property Owners in Portugal, or <u>AFPOP</u>, caters to the many foreign residents and property owners in the country, and offers a range of services and discounts to members. With membership at \in 40 per annum, the benefits quickly outweigh the cost.

Due to Portugal's strong cultural and historical links with England and the fact that the Algarve is such a major tourist



Multilingual menus, but reasonable prices for all tongues

destination, English is widely spoken. English is compulsory as a second language in the schooling system and so the youngest generation speaks it. French, which was the second school language prior to being overtaken by English, is extensively spoken by the older generations. Portugal's largest expatriate population lives in France, and many of those people, nearing retirement and spurred on by adverse changes in French pensions and positive changes in Portuguese laws affecting pensions, have decided to return to the country.

Many establishments including restaurants, private and public health centers, and hospitals, clinics, sports clubs, and supermarkets, have people able to interact with the public in a foreign language.

In Lagoa there is a well-established second-hand bookstore with thousands of foreign titles and many genres. Hand in your used books for a credit of between $\in 1$ -3 and use your balance to buy other titles from as little as $\in 2.50$.

In summary, the Algarve is very well-placed linguistically to receive visitors and new residents from the USA and Canada.

Year-Round Activities

Fatacil is the largest showground in the province and hosts several large events during the year. The most popular for expats is the International Algarve Fair held in June every year, which unites the local and expatriate community around a variety of activities, shows, services and food and beverage. Larger still is the summer fair held in August, with daily live concerts by top national (and often international) artists. At a few euros a ticket per day, you won't find better value for money on a sultry summer night.

The Medieval fair in Silves is a celebration of the city's roots. Dancers, jugglers, flame-throwers, fire-eaters, and snake charmers, and snake charmers combine with a feast of regional cuisine to offer a very authentic experience. Costumes can be hired by those who want to dress the part!

In Lagoa, the annual sweets festival is an exquisite display of delicacies produced mainly from local ingredients, including fig, orange and almond, and the lesser-known carob with its cocoa-like powder—a staple ingredient in regional pastry making.



Music, parades, booths, restaurants...even a dog show

Around June every year, the smell of grilled sardines permeates the air of the coastal towns, as the annual sardine season peaks. Most traditional restaurants will keep them coming until you say '*basta*!' Pay by the half-dozen and you know you're in a tourist establishment.

Throughout the year, but mainly from spring through fall, to make the most of the great weather, open-air jazz and classical concerts are held. Most are free. Experience jazz at Lagoa's Sitio das Fontes but make sure you take some mosquito repellant because the idyllic location, on the Arade River, becomes a haven for these pests at nightfall. The Lagoa Auditorium is the place to take in a concert by the local youth orchestra (or even attend students' final auditions that are open to the public) or to watch a film priced between €3-4 per ticket.

The Arade Congress Centre, a white elephant financed by several municipalities, private groups, and the regional tourist body, is nonetheless one of the most impressive congress centers in the country. With Europe's fifth largest stage and seating which, when retracted, increases the capacity from 1,000 to 4,000 or more, it sits quietly on the banks of the Arade River near the town of Ferragudo. Once or twice a year it springs to life with a motor car launch, a performance by the Russian ballet, or the finals of the World Dance championships.

If it's sporting action you're after, try something different. The daughter of the owner of one of the largest boat businesses is a multi-world champion and the family is always happy to offer adventure style practice sessions on the Arade. Kayaking, paddling, and scenic boat trips are all on your doorstep. And don't forget the boat trips to visit the cave-encrusted coastline or to fish. Or the sailing schools at the river mouth which are, by international standards, inexpensive.

For the tennis enthusiast, join the many expats who gather for social tennis at the Carvoeiro tennis club, or try the local club at Silves, located between the schools of the city and next to a park (to which you might have to retire to for shade if you dare play in the summer afternoons!).

Carvoeiro also has a well-stocked book exchange that allows expatriate residents and visitors alike to trade in books they have read for new titles.



Hop on a pretty little sailboat for a trip up the river

Many retired expatriates become involved in local community or charity work: from manning kitchens, which serve meals to the homeless, to assisting with food distribution to the poor, supporting the donkey sanctuary, or helping with the housing of abandoned dogs, there is no shortage of opportunities to contribute to society and make a real impact that will also help you integrate faster into local culture. Although Portugal is a highly religious country and many social actions are coordinated by the church, there is an increasing trend for people to organize volunteer organizations, often bringing

Nature Talks

The Algarve is an excellent place for bird watching. The Salgados basin, located immediately adjacent to Praia Grande in Silves, is great for observing species such as ferruginous duck, little bittern, swamp hen and avocet. During the migratory season several birds including the rare Squaco heron can be spotted.



Perched atop an old chimney, a stork feeds its young

Look out for the nesting storks which have occupied many a traditional brick chimney. They are easily located by the clucking sound made by smacking their beaks together.

Silves and Lagoa offer superb walking trails, in totally different environments. Silves' hillier terrain means that a stroll in the citrus valleys and barrocal countryside will be as much a soulful experience as a visual one. The way in which Silves has maintained its originality, the pureness of air punctuated by a citrus tang, the preservation of original architecture, culture, and trade, makes a walk in the Silves countryside synonymous with a stroll through the inland Algarve as it once was.

Lagoa's coastal walks are altogether very different. The emphasis here is on the "wow factor." There is probably not another stretch of the coast anywhere in Portugal (perhaps anywhere on the Iberian Peninsula), which brings together so many spectacular vistas in such a short distance. Perched on the very edge of the cliffs (care must be taken when walking or cycling as cliffs can be unstable—in fact, an increasing number of protective barriers have been placed along the most popular stretches), walkers are able to look down into gullies, out to the azure ocean, and through the fantastical shapes created in the soft coastal rock. A walk along the coast from Ferragudo to Armação de Pera (which is best done over several days) is an unforgettable, eye-candy experience.



The view on an early-morning walk

A pioneering project in Silves is the lynx reproduction center, which is the leading research facility for the protection of the endangered lberian lynx, the world's most endangered feline species. If you love nature then a visit is a must. new and innovative ways of doing this from their experiences abroad. See the "Rolodex" for contact volunteer information.

Getting About...Drive, Walk, Sail, Cycle, And Paddle

Driving is easy in this part of the world. Short drives are often scenic. Leave Lagoa along the EN125 road westward towards the large town of Portimão. The approximately 5-mile drive involves crossing the Arade River near its estuary. See flocks of migrating or nesting birds, canoeists, and the occasional angler in galoshes searching for cockles. Return via the picturesque village of Ferragudo.

Local transport is reliable but the intervals between departures out of peak times can be long, especially in smaller village and inland locations. The municipality of Silves contains the province's main train station link, at Tunes, to the country's capital 180 miles away. Lagoa has one of the region's busiest bus stations, with buses leaving for locations in the Algarve and direct to Lisbon, a 3-hour trip away in luxury vehicles with Wi-Fi, in-trip movies, toilet facilities, and reclining seats.



Cycling off- and on-road is very popular here

Tackle the rugged coastal paths on a mountain bike or on foot and get the benefit of spectacular sea and coastal views. Both Silves and Lagoa are easy to visit on foot and walking is much more popular in towns and cities than cycling. The Arade River flows through the center of Silves. At high tide, small riverboats make their way downstream to the river mouth at Ferragudo and Portimão, and then back upstream. Kayak and canoe enthusiasts are often found paddling up and downstream.



Walk along the quay past the fishing baskets, or boat and kayak on the Arade River

Giving Back To The Community

Castelo Dos Sonhos has been helping underprivileged people in the Silves area for more than 10 years, and welcomes donations, contributions or help. The Rotary club has several chapters in the Algarve, including one in Silves. (See the "Rolodex" for contact information.)

How Easy Is It For The Disabled?

The Portuguese attitude towards helping others is reflected in a general openness towards minorities, in whatever sense. The disabled are no exception, but they have been faced, historically, with the challenge of inappropriate infrastructure, such as traditional stone sidewalks that are difficult for wheelchairs and for people with canes or walking aids, few ramps into public transport, and poor signposting. Portugal's infrastructure is improving for disabled communities and it is generally true that where specific conditions do not exist, local people will go out of their way to help. Silves and Lagoa have benefited from significant retrofits to existing or newer facilities. Community swimming pools are fully equipped with ramps and disabled pool access, public buildings such as libraries now have disabled access, and even public parks make it easy for the disabled to be dropped off and enter with reduced effort.



Even parks have well-signposted disabled access

The Gay And Lesbian Community

Historically Portugal is a deeply Catholic country. For this reason many of the beliefs and religious traditions remain, although change to this belief system has accelerated dramatically with globalization, the free flow of people and ideas over country borders, national debate around topics such as adoption by couples of the same sex, and changes in the law. The GLBT community is neither large nor very visible. Do not be surprised, therefore, if you and your partner visit a remote area and get inquisitive looks from the locals.

How To Get Here

Faro airport, located around 60 kilometers (38 miles) from both Silves and Lagoa, is one of Portugal's busiest airports and its most important tourist hub, handling about 5.5 million passengers a year. Direct flights arrive from 76 international and three national airports. Airsat's recent addition of a weekly direct flight from Toronto's Pearson Airport means that the destination is now directly accessible to the Canadian market. If you travel from the US, you would probably connect via a major European capital.

Well in excess of 4 million visitors arrive in the busy July-August period, which means that the remaining months are remarkably tranquil for travelers.



Travel to Lisbon in 3 hours in air-conditioned comfort

The A22 highway links Silves/Lagoa to Spain, 112 kilometers (70 miles) away. The cost of the one-way toll is approximately €7.70. The A2 highway, with easy access from Silves via Tunes, makes Lisbon, the country's capital, approximately a 3-hour drive. Taking the fast route to Lisbon via the toll highway, where legal speed limits are 120 km/h (75 mph), will cost around €20 for the 180-mile drive. Choose the more leisurely route along the national road, which is mostly in excellent condition, and where you can stop to eat at one of the many traditional restaurants or have a picnic on one of the saving will pay for a meal for two!).

Bringing Pets To Portugal

The transportation and importation of pets is well regulated in the EU and the rules applicable to Portugal are documented on the relevant Ministry site, which is also available in English, <u>here</u>.

Unfortunately, the economic crisis of 2008 resulted in a significant increase in the abandonment of animals by people who could no longer afford to keep them. Although there are local municipal kennels, due to overcrowding they tend to operate a strict policy of putting animals down after a week if they have not been rehomed. There are several local charities, including a few charity shops in Lagoa and at least one in Silves, which raise money for initiatives such as the Donkey Sanctuary and the Association for the Protection of Animals in the Algarve (APAA). The Scruffts dog show held annually at Fatacil is also a source of complementary income for the work they do. These organizations are always looking for volunteers to help in whatever way possible and it is a great

way to get involved if you are an animal lover. See the "<u>Rolodex</u>" for contact information.

Warts And All

The biggest complaint of most people who arrive here is Portuguese bureaucracy. Much of this is due to a language barrier which makes matters such as finance, tax, and dealing with banks and utility providers frustrating at times (especially as the latter generally have poor records of customer service). Nonetheless, renewing or getting a driver's license is easier than doing so in the US, for example, as Portugal has migrated most of its public record system to electronic records over the last decade or so.

My recommendation would be to stay away from any project involving planning. If you are a keen builder, developer, or would like to make substantial changes to existing historical buildings (such as converting them into boutique hotels)... choose another location. Planning is a lengthy process requiring years, with major projects often taking more than a decade to clear the upward of 30 entities who typically need to give their opinion as to the merits of any endeavor.

Starting a business in Portugal, while not as complex as in countries such as Brazil, is not as efficient as in countries such as the US. Accounting requirements can be complex and appropriate legal, tax, and accounting support is a must for new arrivals wanting to work in or from Portugal.

Many people are concerned about the economic woes of the country prior to and following its bailout post-2008. While this is indeed a concern for existing residents who have seen the tax burden increase, the NHR measure is aimed at attracting new residents to the country and guaranteeing low tax. New residents will benefit not only from this status but also from Portugal's need to become more competitive, which in many instances has driven down prices. An excellent example is real estate.

New residents should consider carefully where they live, because the inland areas of municipalities such as Silves have very few inhabitants, and the initial search for quiet and privacy can quickly turn to isolation as foreigners find themselves far from town and city centers and unable to communicate with rural populations whose command of English is not as good as that of people in towns and cities.



The River Arade glides through Silves town center

Almost without exception those who have chosen Portugal as their home, and have planned financially for their move, are extremely positive about the country and its lifestyle.

Is This The Place For You?

If you want an excellent quality of life, with a low cost of living, great tax benefits, in a location that within easy access of all of Europe and equidistant from North America and Asia, the Algarve is an obvious option. If you seek the tranquility of country living while being minutes from the region's awardwinning beaches and golf courses, and from the hustle and bustle of a range of tourist activities, then Silves and Lagoa are excellent choices.

The ability to save money, pay less tax, access quality healthcare, enjoy a healthy lifestyle, be part of a community where English is widely spoken, and get to most European cities in less than three hours, are major attractions for foreign residents.



Sharpen your short game skills on this 9-par executive course

Most people who move here notice the change of pace from large cities and towns. It takes time, like good wine, to mellow. If you are moving here to work locally, be prepared for some stress relating to bureaucracy and the difficulty in the language



if you don't already speak it. If you are looking to work abroad and want to leave your family in a safe, healthy environment, then look no further. Hundreds of expats already do this, and once the secret is out, many more will do so. If you wish to retire, there is hardly a person who has visited who does not think of staying for good. Making friends is easy, whether with locals or expatriates. The fact that new residents will soon have an option to reside in rental communities of like-minded individuals, who share interests, means that purchasing properties is not the only route for new arrivals.



The busier coast or the quieter inland...both options are attractive and welcoming

substantial part of the year but never become officially resident. Just over 4,500 of these residents live in the Silves municipality and 3,700 in the Lagoa municipality*, with Carvoeiro being one of the most popular multicultural expat towns in the Algarve, catering to a range of nationalities. (* Source: www.sef.pt)

With all this and a lot more, it is easy to see why the region has attracted more than 63,000 official residents or about 15% of the region's population—although the number is several times higher as many foreigners remain in the country for a substantial part of the year but never become officially resident). 4,600 of these residents live in the Silves and 3,700 in the Lagoa municipalities*, with Carvoeiro being one of the most popular multicultural expat towns in the Algarve, catering for a range of nationalities. (* Source: www.sef.pt)

Overseas Living Letter Online Resources

<u>A video tour of Silves and Lagoa</u> <u>A Video Tour of Algarve Coast Real Estate</u> <u>A Video Tour of Algarve Coast Beaches</u> <u>Algarve Rolodex</u> <u>Algarve Shopping Cart</u>



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