

# Re-igniting the national economy through real estate

**Hugo Santos Ferreira, Executive Vice President, APPII**, shares his optimism for the Portuguese international presence in the post COVID-19 era



**How would you sum up the ‘key ingredients’ that Portugal boasts that make it such a competitive destination for real estate investors?**

We have been able to show our ability to learn from other European countries that were first hit with the pandemic. This allowed us to mitigate the harsh effects using quick consolidated measures. We have continued construction activity and selling properties right across the pandemic. The real estate sector in Portugal today represents 15 percent of total GDP, making us a strategic sector for the economy. If we combine the construction and real estate, we contribute to 17.4 percent of total GDP. All the measures that were once available in Portugal for investors are still up and running, especially the Golden Visa programme. Investors can expect a good return on their assets here as we have been growing as a sector, non-stop since the economic crisis.

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Hugo Santos Ferreira, Executive Vice President, APPII

**At the start of the year, APPII designed and proposed a package of exceptional measures for the government and relevant authorities to review. How has this manifesto been received by the authorities?**

There were nine measures stated in the manifesto, one of which was the fact that many administrative processes that once required face to face interaction can now be done virtually, speeding up the administrative processes associated with real estate purchases. To clarify the importance of this programme, since its inception it has garnered more than EUR 5 billion of real estate investment. In 2019, it reached EUR 700 million of investment and EUR 85 million for the government. The real estate sector since the end of the economic crisis reached more than EUR 130 billion in investments and the sector has grown more than 20 percent per year continually. Foreign investments since 2014 have reached as much as EUR 30 billion in the real estate sector.

All the programmes that currently exist also need to be realigned with Pan-European initiatives like the European Green Deal and the Europe Next Generation initiative, which is one of the main initiatives we are going to do before the relaunching of the Golden Visa programme. We also want to see how we can use these programmes to steer investment into other sectors of the economy, because as it stands, 90 to 97 percent of investment through the golden visa programme is destined to real estate.

**Energy efficient designs and higher quality construction are becoming requirements and a condition in this business. How has the sector responded to these challenges? What is the importance of sustainability in real estate projects?**

We are very much aware of the new standard across Europe and want to adhere to measures outlined in the European Green Deal. One of the measures we want to implement in the new Golden Visa programme is to link real estate and energy efficiency via new technology. We want the Golden Visa to be a SMART Visa, attracting investments towards the efforts being made to decarbonize the country. A good majority of new projects being put forward in all asset classes have measures to significantly mitigate the carbon footprint and further protect the environment.

**We have seen that APPII has launched a new website to strengthen the real estate investment and promotion market in Portugal, bridging member companies with international players that intend to enter the national real estate market. Could you share more regarding this dynamic? How will this happen across the platform and what is the recent feedback you are getting from both players?**

APPII is one of the main gateways for foreign investment in Portugal and, since 1991, one of our objectives was to facilitate foreign direct investment. Since the beginning of the time of discovery Portugal has been across the globe discovering the world, however only since 2014 has the world rediscovered Portugal in terms of a destination to invest and live. To highlight how successful this platform has been I must highlight the fact that 50 percent of our members are foreign investors, funds and private equity from all over the world. Through this programme what we try to do is create synergies between these foreign investors with our local members. 85 percent of the foreign investors wants to work with a local established partner and we are the central point for them to find the right stakeholders within the construction and real estate industry.

**With your 30th anniversary coming up in 2021, what would you say are the higher-level strategic objectives for APPII in the coming decade?**

Our idea for the future is to continue improving on what we have already achieved. Our target is to consolidate the association to be the main entity representing the real estate sector in the country, not only for investors, but also for the Portuguese authorities and local players. On the other hand, our goal is to be able to explain in an objective way that the real estate sector is the most strategic sector for economic growth. Real estate is at the top of the economic pyramid and we will be the sector to reignite the whole economy.