

## Chinese investors targeting Portuguese real estate

Assets such as office buildings and retail space in demand, but differences in language and culture mean there are still barriers to investment from China

In addition to targeting assets in Portugal's residential real estate sector – partly due to the country's 'golden visa' programme – Chinese investors are also eyeing the nation's office buildings and retail spaces, as well as M&A deals, according to João Caiado Guerreiro, partner at Caiado Guerreiro in Lisbon.

He adds that Chinese investors in Portugal range from individuals buying residential property to mid-sized companies looking for partners or outright acquisitions of companies or real estate, in addition to large-scale investors. "China has a lot of capital, and even the recent measures by the Chinese government to curb investment abroad will not have a significant impact on investment in the long term," Caiado Guerreiro says.

He adds that, while in general Chinese investment in Portugal is on the increase, there has been a significant reduction in investments associated with the 'golden visa' programme. But Caiado Guerreiro also says: "On the other hand, as Chinese companies become more acquisitive

everywhere, they are also seeing Portugal and Spain, but particularly Portugal due to its historical ties with China through Macau, as a friendly place to invest."

However, barriers to Chinese investment in Portugal still exist. "Language and culture are always the biggest barriers, which is why we have a China desk with Chinese speakers," says Caiado Guerreiro. "China is a newcomer to the international investment community, as the opening of the Chinese economy only started in the final decade of the twentieth century." He continues: "Everybody is looking at China and learning to work with Chinese investors, which is why we opened a Beijing representative office."

Meanwhile, Chinese investors are also eyeing Lusophone Africa, says Caiado Guerreiro. "After the first wave of Chinese investment in Africa in the 2000s, Chinese investors are now a lot more prudent and are diversifying, and not just looking for raw materials, but also at other areas such as construction and retail."



João Caiado Guerreiro