



MdME

LEGAL UPDATE

Amendments to Short Term Local Rental Establishments in Portugal

In October 23, 2024, Decree-Law no. 76/2024, of October 23 (the "Decree-Law 76/2024") was published in the National Gazette, I-Serie, introducing a number of changes to the Short Term Local Lodging Establishments (often referred to as Airbnbs) Legal Regime, approved by Decree-Law no. 128/2014, of August 29 (hereinafter referred to as "RJEEAL"), as well as to Law no. 56/2023, of October 6 (hereinafter referred to as the "More Housing Program").

The preamble to the XXIV Constitutional Government's decree states that the changes introduced into the legal system, which will come into force **on November 1, 2024**, aim to "create conditions for a balanced consolidation of the short term local lodging activity with the housing environment, with respect for the rights of private initiative, private property and housing, balancing the economic and urban impacts of this activity in Portugal."

MdME

What changes?

1. Granting regulatory powers to municipalities

- Municipalities can now approve administrative regulations to govern short term local lodging. In municipalities with more than 1,000 registered short term local lodging establishments, the municipal assembly must expressly decide, within a maximum period of 12 months from the date on which the municipality reaches 1,000 registrations, whether or not it wishes to exercise this regulatory power;
- It is created the concept of " short term local lodging supervisor", whose role will be to support the municipality in managing conflicts between residents, owners of short term local lodging establishments, condominiums and interested third parties, analyzing complaints, issuing recommendations and approving and implementing good practice guidelines for the operation of this activity.

2. Prior communication with deadline

- The rule that required the identification of the seasonal period, in the case of private and permanent housing used for short term local lodging for a period not exceeding 120 days, is repealed;
- The requirement to attach the minutes of the condominium owners' meeting authorizing the installation of short term local lodging in buildings subject to the horizontal property regime, will now apply exclusively to *hostels*;
- Increase in the time limits for opposition to 60 days from submission, and 90 days in the case of requests for registration in contention areas;
- The interested party can now request, at any stage of the registration procedure, a one-off inspection by the municipal services, to review the mayor's decision of objection.

MdME

3. Transferability of registration / "AL license"

The personal and non-transferable nature of the short term local lodging registration is revoked, as well as the facts that determined its expiry, thus, becoming freely transferable under the general terms of the law.

4. Cancellation of local accommodation registration by the city council:

Decree-Law 76/2024 empowers the city council to cancel the registration of short term local lodging, preceded by the exercise of the interested party's right to a prior hearing, whenever:

- there is no valid compulsory insurance or if the proof of insurance has not been sent, at the request of the city council, within a maximum of 3 days;
- there is a repeated and proven practice of acts that disturb the normal use of the building;
- In areas of contention, the city council notes that urban rental contracts for permanent housing were signed in the two years prior to the submission of the prior notice with deadline, in violation to the applicable municipality regulations.

5. Condominium

Powers are granted to the condominium owners' meeting of the building where short term local lodging is installed in an independent unit, or in part of a building susceptible to independent use, to oppose to this activity and request the president of the competent municipal council to cancel the short term local lodging registration, by means of:

- Reasoned decision approved by more than a half of the building's permillage;

MdME

- Based on the repeated and proven practice of acts that disturb the normal use of the building, as well as acts that cause nuisance and affect the rest of the owners.

As an alternative to deregistration, the mayor of the respective municipality may invite the parties involved to reach an agreement.

The managers of short term local lodging establishments are now obliged to provide the condominium with their email address as well as the manager's telephone number.

6. Maximum capacity

The maximum capacity of short term local lodging establishments is 9 rooms (same as before) and 27 users (previously 30 users), with the exception to those short term local lodging establishments categorized as rooms and/or *hostels*.

It is now possible to install convertible and/or supplementary beds, provided that the short term local lodging has suitable conditions for this purpose, as long as, as a whole, they do not exceed 50% of the number of fixed beds.

7. Contention area and sustainable growth areas

It is created the possibility of a municipality, within the scope of an administrative regulation governing the activity of short term local lodging in the municipality, to establish the following conditions for contention areas:

- Prohibit new registrations of short term local lodging establishments in contention areas in respect to urban buildings, independent units or parts of urban buildings that can be used independently, and that have been subject to an urban rental contract for housing in the two years prior to its registration;
- Limit the number of short term local lodging establishments in the territory of Portugal, namely in proportion to the number of dwellings available for housing;

MdME

- Provide for exceptional situations in which the installation of new short term local lodging establishments in these contention areas is allowed;
- Create conditions and limits applicable to new short term local lodging registrations, in particular with regard to their duration and allocation rules, respecting the protection of owners and competition between short term local lodging operators;
- Establish proportional limitations on the transferability of new registration numbers for short term local lodging establishments categorized as "single house" and "apartment", without affecting cases of: *i)* succession; *ii)* donation of the local lodging unit to a spouse or unmarried partner, descendants or ascendants; *iii)* divorce, legal separation of persons and property or dissolution of the unmarried partnership.

On the other hand, Decree-Law 76/2024 provides for the possibility of creating areas of sustainable growth in areas that require special monitoring measures, in order to prevent an overload situation with undesirable effects on neighbourhoods.

Both the areas of contention and the areas of sustainable growth must be reassessed at least every three years, with the respective conclusions being communicated to Turismo de Portugal, I. P.

8. Valid uses compatible with local accommodation

The use licenses defined by municipal regulation are now valid and compatible with short term local lodging. In the absence of municipal regulations, the uses established by the city council are valid if in line with the provisions of the respective municipality land use plans.

9. Repeal of measures introduced by the "More Housing Program"

Decree-Law 76/2024 also repeals the following rules:

- The rule requiring the renewal of the registration of short term local lodging establishments, which determined that short term local lodging registrations were limited to 5 years and renewable for an equal period, subject to prior decision of the City Council.
- The suspension of new registrations of short term local lodgings, which determined the suspension of new registrations of short term local lodgings in the category of apartments and lodging establishments integrated into an independent unit, throughout Portugal, with certain exceptions.
- The re-examination of short term local lodging registrations by the end of 2030 (as applicable).

Our Contributors:



Tirso Olazábal
Partner
tirso.olazabal@mdme.com
[Visit Profile](#)



João Rodrigues
Senior Associate
joao.rodrigues@mdme.com
[Visit Profile](#)