

# NEWSLETTER

OCTOBER, 2023

## LOCAL ACCOMMODATION

As part of the Mais Habitação (More Housing) Programme, which has been in force since October 7, significant changes have been made to Local Accommodation. - What has changed?

### **Will new LA registrations be issued?**

The issuing of new Local Accommodation registrations in Portugal is suspended, except for the interior of the country and the Autonomous Regions.

### **Will the LA licenses already issued on the date of entry into force of Law 56/2023, of 6 October, be maintained?**

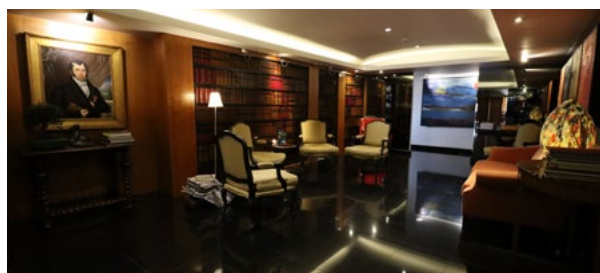
Within two months of the entry into force of this law, December 7, Local Accommodation registration holders are obliged to prove, by submitting a declara-



tion of income, that they are continuously operating their Local Accommodation Establishment, under penalty of cancellation of registration. This provision does not apply to the operation of local accommodation units in own and permanent housing, if this operation does not exceed 120 days per year.

### **Will the new LA registrations have a limited duration?**

Local Accommodation registrations will have a duration of five years, renewable after a decision by the local council for the same period.



Avenida da República, nº50 7ºA | 1050-196 Lisboa | geral@dlas.pt

DINIS  
LUCAS  
&  
ALMEIDA  
SANTOS

SOCIEDADE DE ADVOGADOS SP, RL  
BOUTIQUE LAW FIRM

---

## Will the LA licenses already issued on the date of entry into force of Law 56/2023 of 6 October have a deadline?

Without prejudice to the need to prove that the Local Accommodation establishment is not inactive, all licenses currently in force will remain valid until 31.12.2030, at which point they will be reviewed by the municipalities, which can renew the licenses for five-year periods. However, this deadline does not apply to those who have taken out mortgage loans to buy a house for the Local Accommodation activity (contracts signed until 16 February 2023), as the license will only expire on the date on which the respective



## Is it possible to pass on the LA registration number?

The Local Accommodation registration number is personal and non-transferable for all types of establishments. If the holder is a legal person, the registration expires when there is any transfer of the share capital, regardless of the percentage, except in the case of succession.

## What is the condominium's role in issuing new LA licenses?

A unanimous decision by the condominium is now required to authorise a different use of any Unit than is not established in the constitutive title of the Horizontal Property, which means that registrations of Local Accommodation establishments made after the entry into force of Law 56/2023, of 6 October, which concern Units of buildings under the horizontal property regime intended for housing in the constitutive title, are now subject to the prior authorisation of the condominium for a different use. This decision by the condominium is taken unanimously and it is now compulsory to present the minutes of the condominium meeting, with the referred authorisation, at the time of prior notification.

## What can the condominium do about LA licenses that have already been issued?

Condominium owners can cancel existing registrations by opposing to the exercise of the local accommodation activity under the following terms:

(i) by resolution of at least two thirds of the building's permillage; and

---

A UNANIMOUS  
DECISION BY  
THE CONDO-  
MINIUM IS NOW  
REQUIRED TO  
AUTHORISE A  
DIFFERENT USE  
OF ANY UNIT

---

(ii) provided that the constitutive title does not expressly provide for the use of the fraction for local accommodation purposes or when there has been an express resolution of that meeting authorising such use.

In these cases, and for the purpose of cancelling Local Accommodation registrations, the condominium owners' meeting must inform the Mayor of the municipality with territorial jurisdiction of the said decision.

## **Has an incentive been created to change properties used for LA into rentals?**

There is an exemption from income tax (IRS or IRC) for owners who stop operating their properties through the Local Accommodation modality by the end of 2024 and change it for residential rental.

This exemption applies to rents and will last until the end of 2029, with no limit on the amount of rent to be charged.

However, this incentive will only be applicable for owners whose Local Accommodation registration is prior to 31.12.2022 and providing that the lease contract is signed by 31.12.2024..

## **Which properties are subject to the Extraordinary Contribution for Local Accommodation (CEAL)?**

The extraordinary contribution was approved for units covered by a valid local accommodation license, excluding residential properties that are not autonomous units, or parts or divisions that can be used independently, as well as LAs that operate as permanent housing, provided that the operation does not exceed 120 days per year.



---

# THERE IS AN EXEMPTION FROM INCOME TAX (IRS OR IRC) FOR OWNERS WHO STOP OPERATING THEIR PROPERTIES THROUGH THE LOCAL ACCOMMODATION MODALITY BY THE END OF 2024

## Who is liable for CEAL?

The taxable persons for this contribution are the owners of the Local Accommodation establishments, being the owners of the properties subsidiarily liable for its payment.

## How is CEAL calculated?

CEAL is calculated by applying the economic coefficient for local accommodation and the urban pressure coefficient - both to be published annually by decree - to the gross private area of the residential property subject to CEAL. The tax rate applicable to this base is 15 per cent.

