



## NEW HOUSING STRATEGY “BUILDING PORTUGAL”

*Extraordinary Council of Ministers of 27 May 2024*

On 27 May 2024, after an Extraordinary Council of Ministers session, a set of measures was approved that partially implements the new housing strategy “Building Portugal” (Mais Habitação), presented on 10 May 2024.

### COERCIVE RENTALS

Some measures of the “Mais Habitação” (More Housing) program are expected to be revoked, namely the controversial regime of forced or coercive renting of housing considered vacant, through a

decree-law that will be published in the future.

It is important to remember that, as part of the Mais Habitação (More Housing) Programme, Law no. 56/2023, of October 6, introduced changes to the Legal Regime of Urbanization and Building, including the possibility that, in relation to autonomous fractions and parts of urban buildings susceptible to independent use and residential use, classified as vacant for more than two years and when located outside the interior territories, the City

Council with territorial jurisdiction may promote the forced lease of the property.

This action by the City Council would, however, to be preceded by prior notification to the owner of the property, by the relevant town hall, to carry out conservation work or for the property to be put on the market for the necessary use.

At the same time, the abovementioned session of the Council of Ministers on 27 May also approved a legal regime that allows, in the words of the Minister of the Presidency, António Leitão Amaro, the “semi-automatic injection of vacant or underutilized public buildings onto the market”.

To this end, Local Authorities will be given the opportunity, either on their own or through private developers, to identify vacant properties and jointly develop projects relating to these vacant or underutilized public properties, so that they:

- are used for a public purpose that falls within the powers of the respective municipality; or
- are placed on the market for the use of citizens.

These measures are aimed at defending the right to private property and promoting real estate investment, which the current government considers to be an appropriate response to the limits imposed

by the previous government on private property.

## LOCAL ACCOMMODATION

The Council of Ministers approved a set of measures that will result in a change to the regime applicable to local accommodation.

These changes, unlike those that had been adopted and envisaged under the “More Housing” programme, propose a paradigm of appreciation and recognition of the importance of this activity.

## “MORE HOUSING” PROGRAMME

The measures that resulted from the “More Housing” programme had the main objective of encouraging the transfer of flats that were used for local accommodation to rental housing, mainly through the creation of an extraordinary contribution on flats in local accommodation.

In this way, the aim was to discourage and create barriers to those who carried out local accommodation activities, with a view to utilising these same spaces for the purposes of residential rental.

## IMPLEMENTATION OF THE MEASURES OF THE COUNCIL OF MINISTERS OF 27/05

On the contrary, the changes that are now being proposed “*establish a balanced and decentralised regulation of local*

*accommodation, repealing unfair and disproportionate measures”.*

Some of these amendments consist of the following:

- A proposal for a law authorising the repeal of the extraordinary contribution on properties in local accommodation (ECLA), as well as the setting of the coefficient of ageing applicable to local accommodation establishments for the purposes of assessing IMI;
- A decree-law that amends the legal framework for the operation of local accommodation establishments, eliminating certain burdensome and disproportionate restrictions on private

initiative in the sector, and that focuses on decentralising powers to regulate local accommodation activity to municipalities, as well as preventing and mediating conflicts in buildings constituted as horizontal property.

Significant changes are therefore expected, whether it's the repeal of ECLA or changes to the legal regime for local accommodation itself, which should contribute to the end of legislation that imposed various restrictions on those who carried out this activity.

Inês de Azeredo Silva | [ines.as@caldeirapires.pt](mailto:ines.as@caldeirapires.pt)

Inês Ferreira Lourenço | [ines.fl@caldeirapires.pt](mailto:ines.fl@caldeirapires.pt)