INCOME UPDATE COEFFICIENT FOR THE YEAR 2025

Based on the principle of contractual freedom, in a rental contract, the parties (landlord and tenant) can freely stipulate an annual increase in the rent.

However, if they have not done so, but have foreseen the possibility of an increase in the contract income amount, this will be governed by the updated coefficients in force at that time.

Every year, new rent updated coefficients are published.

Therefore, under the terms of number 1, of article 24 of Law no. 6/2006, of February 27, which approved the New Urban Lease Regime (NRAU), "The annual rent updated coefficient of the different types of rentals is the result of the total variation in the consumer price index, without housing, corresponding to the last 12 months and for which values are available until August 31st, calculated by the National Statistics Institute".

This update must be published in the Official Gazette by October 30th of each year, with the last one having been published on October 18th, 2024, through notice number 23099/2024/2.

Thus, the expected income update for the year 2025 is 1.0216, that is, 2.16%, which corresponds to a strong decrease compared to the previous year 2024, which income update was 6. 94%.

On the other hand, as established in article 25 of the NRAU, "The income resulting from the update referred to in the previous article is rounded up to the next higher cent unit."

Questions:

1) Is the update mandatory?
- The landlord is not obliged to ask for a rent increase.

2) When can this update be requested by the landlord from the tenant?
- The update is either provided for in the contract and is governed by it or, if not, it can be requested annually. According to article 1,077 of the Civil Code, the first update can be requested one year after the lease contract begins, and so on.

3) How long before the landlord must communicate the update?
- The update must be communicated, in writing, by the lessor to the lessee, at least 30 days before the intended effects.

4) What if the landlord does not request a rent update?
- Now, under the terms of Alinea d), paragraph 2, of article 1,077 of the Civil Code, the fact that the increase was not requested will jeopardize the recovery of the amounts. However, if no more than 3 years have passed since the initially possible date, the coefficients can still be applied.

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