Decree-Law No. 76/2024, of October 23, was recently published, by which the Government introduces significant changes to the legal regime for Local Housing (contained in Decree-Law No. 128/2014, of 29 August), reversing some limitations introduced in 2023 by the Mais Habitação program.

With these changes, which will come into force on November 1, 2024, the Government intends to strengthen the local accommodation activity, providing guarantees of stability and legal certainty, without, however, neglecting concerns regarding the economic and urban impacts of the activity in Portugal in recent years.

It should be recalled that in August 2024, the Extraordinary Contribution on Local Accommodation (CEAL) and the setting of the age coefficient approved by Mais Habitação had already been revoked.

Thus, this DL, in addition to reversing the restrictions imposed by Mais Habitação, to further clarify the legal framework of AL and return all decision-making power to the municipalities, which will have one year to approve regulations on activity in their territory based on new areas of containment and sustainable growth.

In a transitional manner and in order to ensure the effectiveness of the new municipal regulations, municipalities were given the possibility, by reasoned deliberation of the municipal assembly, and on the proposal of the city council, to suspend for a period of one year the authorization of new registrations in specifically limited areas until the entry into force of these regulations.

In short, this package, having sought to create figures and procedures to better meet the problems and complaints associated with AL, thus revoked:

(i) the suspension of the issuance of new registrations of local accommodation establishments;
(ii) the expiry of inactive registrations, when there was no proof of the maintenance of the activity;
(iii) the non-transferability of licenses;
(iv) the obligation to review in 2030 all existing records on the date of publication of the Mais Habitação program (2023);
(v) the rule that provided for the duration of registration of local accommodation establishments for renewable periods of 5 years; and
(vi) the veto power of condominiums. This veto power remains only for the "hostels" that are located in an autonomous fraction.

It should be noted, however, that municipal regulations may reintroduce restrictions, validity and limits on the transfers of licenses, so attention is drawn to the need to take care of this situation as soon as possible.

In fact, the new ruless allow the creation of areas of containment and sustainable growth in the municipal regulation, which must be duly substantiated by its own studies and subject to reassessment every 3 years, making it possible to establish limitations on new registrations and the transmission of them as "villa" and/or "apartment".

The figure of the local accommodation Ombudsman was also created, whose existence must be contemplated in the respective municipal regulations and which will support the municipality in the management of disputes between residents, owners of local accommodation establishments and condominium owners or interested third parties. It will also be the responsability of the Ombudsman to assess the complaints submitted to him and to issue recommendations and guides on the functioning of ALs.

The maximum capacity of local accommodation establishments is also changed, with the exception of the "rooms" and "hostel" modalities, reducing to a maximum of 9 rooms and 27 users (previously 30 users), and it is certain that, if the establishments are able to do so, the installation of convertible and/or suplementary beds is also allowed, given that all together do not exceed 50% of the number of existing fixed beds.

The possibility of installing commercial establishments and providing services in properties prior to 1951 is also extended, provided that they comply with the other legal requirements.

Under the terms of the new regime, the supervision of the correct application of the rules of local accommodation is now only handed over to the municipalities and ASAE, with regard to economic activity, eliminating the powers that parish councils had in this matter.

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