

DECEMBER 2019

LISBON'S LOCAL ACCOMMODATION MUNICIPAL REGULATION

Lisbon's Municipal Assembly approved two resolutions that resulted in the existence of containment areas in certain zones ("homogeneous touristic zones") and introduced amendments to the Local Accommodation Municipal Regulation of the Lisbon municipality. These amendments came into force on November 8th, 2019, the ones with impact in the local accommodation regime ("LA") standing out, namely:

i. Absolute Containment Areas: the homogeneous touristic zones or subdivisions that present a ratio between the number of LA establishments and the number of apartments for permanent housing purposes equal or higher than 20%. The absolute containment areas are the following:

- Zone 1: Baixa/Eixos Av. da Liberdade/Av. da República/Av. Almirante Reis;
- Zone 2: Bairro Alto/Madragoa;
- Zone 3: Castelo/Alfama/Mouraria;
- Zone 5: Colina de Santana.

New LA registrations aren't not allowed in the absolute containment areas, except if exceptionally authorized by the Lisbon City Hall in the following events:

- a. Rehabilitation works of dilapidated buildings; **or**
- b. Full rehabilitation of buildings completely empty for more than 3 years; **and**
- c. When the buildings are considered of special interest for the city, due to:
 - i. Give rise to multi-use buildings in which the LA is included in social or cultural project of local development; or
 - ii. Being part of the housing offer for leasing purposes at accessible prices in accordance with the Municipal Regulation of the Housing Right.

ii. Relative Containment Areas: the homogeneous touristic zones or subdivisions that present a ratio between the number of LA establishments and the number of apartments for permanent housing purposes equal or higher than 10% and lower than 20%. The relative containment areas correspond to the following zones:

- Zone 4: Graça;

- Zone 7.3: Subdivision Bairro das Colónias of the “homogeneous touristic zone” Surrounding Zone to Almirante Reis.

In the relative containment areas, new LA establishment registrations may be exceptionally authorized by the Lisbon City Hall, if one of the following conditions is fulfilled:

- a. When they refer to a full building in ruins or part of an urban building which has been declared vacant for over 3 years; **or**
- b. When they refer to a building unit or part of an urban building which:
 - i. Has been declared vacant for over 3 years, when the building’s conservation status is “bad” or “poor”; **and**
 - ii. Has been subject to rehabilitation works, performed in the last 2 years, or which has allowed to rise two conservation levels; **or**
- c. When they refer to a full building, building unit or part of an urban building which, in the last 2 years, has changed the respective use from logistics, industry or services to housing purposes;

New LA establishment registrations may not be approved in absolute and relative containment areas whenever they refer to building, building unit or part of a building that has been rented for housing purposes in the last 5 years, with exception to the lease agreement for housing purposes that provided the basis for the registration when the new registry request has been done in the capacity of tenant.

The exceptional authorization of new LA establishments in containment areas is granted for a period of 5 years or, regarding rehabilitation of buildings in ruins or full rehabilitation of building vacant for over 3 years, for a maximum period of 10 years, to be determined by the Lisbon City Hall in accordance with the investment value.

The interested party is now also allowed to request the Lisbon City Hall previous information regarding the possibility of issuance of the exceptional authorization of new LA establishments. If the previous information is favourable, it becomes binding for the Lisbon City Hall for the period of 2 years from its notification to the interested party.

PARES | Advogados is available to provide more detailed information on Lisbon's Local Accommodation Municipal Regulation that will suit the specific needs of each client, being able to offer all necessary support in matters of Real Estate and Lease Law.

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