

CHANGES TO THE LOCAL LODGING REGIME

NEWSLETTER
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Law nº 62/2018, published last 22 August, amends the legal framework of Local Lodging or short-stay accommodation establishments (“estabelecimentos de alojamento local” or “EAL”) and establishes stricter rules for installation and operation of such establishments, such as the following:

Registration of an EAL

EAL’s registration shall be obtained by submitting a “*prior communication with term*” to the Mayor of the Municipality in opposition to the existing “*mere prior communication*”. As a consequence, EAL’s registration is only achieved if the Municipality does not oppose to it within the 10 days (or 20 days in case of a hostel) following the submission of the prior communication with term.

Stricter regulations on opening and operation of EAL

Prior communication with term

Containment Areas

Municipalities may approve containment areas in their parishes, by means of a local regulation, setting a maximum limit of EAL’s that may be installed therein in order to safeguard social conditions of the community.

These containment areas must be reviewed at least every two years.

Opening and operation of EAL inside containment areas shall be subject to specific provisions and several restrictions, namely the following:

- Until the approval of the local regulation, municipalities may postpone authorization to new EAL registration during one-year period;
- Setting up of new EAL must be explicitly authorized by the Municipality (and not only by prior communication);
- A single homeowner can only operate up to a maximum of seven EAL;
- Registration number for EAL “houses” or “flats” is personal and non-transferable, and several restrictions are imposed to the transfer of opening permits and share capital of companies holding such permits.

Containment areas to limit the number of EAL

EAL located at condominiums

In case of EAL located at condominiums (ie. multi-unit buildings), the condominium owners representing at least half of per mileage of the building may oppose to the operation of an EAL in a given unit and request the cancelling of the EAL’s registration

Condominium owners’ rights



to the Mayor, alleging that the irregular functioning of the condominium or that the condominium owners rights to rest are repeatedly compromised by the EAL's activity.

Hostels are subjected to prior authorization from the condominium owners.

Condominium association may charge the EAL an extra amount (up to 30% of yearly contribution) in addition to the usual yearly contribution to condominium costs.

Other amendments

The following amendments approved by Law nº 62/2018 must also be taken into consideration:

- Operators of the EAL and their guests are jointly and severally liable for any damages caused to the building; operators must hold a multi risk (civil liability) insurance policy;
- Mandatory affixation of identification sign;
- A book containing the EAL's operation and internal use rules is mandatory;
- EAL with a capacity of over 10 guests must comply with the fire safety regulations in buildings and the remaining EAL must possess a fire extinguisher, fire blanket, first-aid kit and an emergency services telephone number sign.

Liability and Insurance

Fire safety in buildings

Entry in force

Law nº 62/2018 shall entry in force on 20 October 2018.

Albeit the existing EAL's registration is still valid, these establishments must adapt to the new regulations within two years, namely, in relation to safety requirements, civil liability insurance, identification sign and condominium costs.

Adjustment to the new regulation

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