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INFORMATIVE NOTE

REAL ESTATE AND TOURISM

Changes to the Lisbon Municipal Regulation on Local Lodging

The second amendment to the Lisbon Municipal Regulation on Local Lodging ($Regulamento\ Municipal\ do\ Alojamento\ Local\ de\ Lisboa$, or "RMAL") came into force on 6 December 2025. It was published in the official gazette DR 235/2025, Supplement, Series II, through Notice 29926-A/2025/2, and was approved by Resolution 570/AML/2025 of the Lisbon Municipal Assembly on 2 December

These changes follow the monitoring of the evolution of local lodging (*Alojamento Local*, or "AL") in the city of Lisbon. The City Council has been carrying out this monitoring since the approval of the first version of the RMAL was approved in November 2019. The conclusions and proposals for improvement are set out in the Local Accommodation Characterisation and Monitoring Report, which was drawn up in December 2022.

The aim is to improve the RMAL by adopting measures that promote a better balance between tourism supply and housing. At the same time, the intention is to adapt the municipal framework to the revision of the Legal Framework for the Operation of Local Lodging Establishments (RJEEAL), as introduced by Decree-Law 76/2024 of 23 October (see our <u>Informative Note</u> on this subject), as well as to the Municipal Housing Charter.

PLMJ highlights the most important aspects of these changes below:

Three levels of regulation and new containment ratios

The RMAL now regulates, monitors and supervises AL at three levels: municipality, civil parish and neighbourhood.

This segmentation enables a more precise assessment of AL distribution, facilitating the implementation of measures proportionate to the specific circumstances of each area. This assessment is based on

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data provided by the National Institute of Statistics (I.P.).

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Monthly monitoring of the ratio between the number of AL establishments and the number of permanent dwellings is conducted based on this segmentation. Depending on this ratio, areas are classified as follows:

- O Areas of absolute containment, applicable to municipalities, civil parishes or neighbourhoods with a ratio equal to or greater than 10%; and
- O Areas of relative containment, applicable to civil parishes or neighbourhoods with a ratio equal to or greater than 5% and less than 10%. This only applies to neighbourhoods when the civil parish in which they are located is not already under absolute or relative containment.

Containment areas are approved by the Lisbon Municipal Assembly upon proposal by the City Council and are reassessed every two years. However, they may also be updated by council decision in accordance with monthly monitoring of the ratios.

The particular significance of these ratios is evident in parishes such as Santa Maria Maior (66.9%) and Misericórdia (43.8%), where the concentration of local lodging far exceeds the stipulated thresholds. In addition to these, the parishes of Santo António (25.1%), São Vicente (16.1%), Arroios (13.5%) and Estrela (10.8%) have been classified as areas of absolute containment and Avenidas Novas as an area of relative containment. At neighbourhood level, nine neighbourhoods have been classified as being in absolute containment, and 13 as being in relative containment.

New AL registrations in restricted areas

The RMAL distinguishes between areas of absolute and relative containment when allocating new AL registrations, establishing a specific framework for each.

Absolute containment

In areas of absolute containment, no new AL registrations are permitted.

However, Lisbon City Council may still grant exceptional authorisation when the following conditions are met:

- O The project involves renovating derelict buildings or completely renovating buildings that have been vacant for more than three years; and
- O The project is considered to be of special interest to the city, giving rise to multipurpose buildings in which the AL is integrated into a social or cultural local development project or includes affordable rental housing under the Municipal Regulation on the Right to Housing.

Relative containment

In areas of relative containment, the allocation of new registrations also depends on exceptional In areas of relative containment, the allocation of new registrations also depends on exceptional authorisation from the Lisbon City Council. Registration is permitted in the above situations, although only one of the criteria needs to be met.



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Additionally, exceptional authorisation is granted for new registrations in the 'bedroom' category within an autonomous unit or part of a property with two or more bedrooms, provided the property has been the AL holder's permanent residence and tax domicile for over three years.

The following limits apply in these cases:

- Only one AL unit in the 'bedroom' category is permitted for two-bedroom properties
- O Up to two units in this category are permitted for properties with three bedrooms or more.

Exceptional authorisation is not granted for buildings, units or parts of buildings in areas of absolute or relative containment:

- On which a residential lease agreement has been in force for less than five years, except for the agreement that served as the basis for registration if the new application is made by the tenant; or
- O That has been acquired at a public auction held by the municipality, a civil parish in the municipality of Lisbon, or a local business entity within the municipality of Lisbon. This restriction only applies to acquisitions made after this amendment to the RMAL came into force.

Exceptional authorisation is valid for a period of five years and is not renewable as long as the area remains classified as a containment area. Authorisations granted in relative containment areas for new registrations in the 'bedroom' category are valid for one year and can be renewed for successive periods provided the above requirements are met.

Transferability of AL registrations in containment areas

Recent amendments to the Lisbon RMAL introduce significant limitations on the transferability of AL registrations, as set out in Article 15-B of RJEEAL.

The rules are more restrictive in areas of contention with regard to the 'house' and 'apartment' categories. In these cases, the transfer of the registration determines its expiry, notwithstanding the exceptions provided for by law in the RJEEAL.

In practice, this means that a new registration application must be submitted each time a transfer occurs. This application will then be subject to the applicable area-specific rules, particularly the restrictions arising from the level of absolute or relative containment.

Suspension of AL operation for residential rental

The RMAL now provides a mechanism for temporarily suspending AL operation when the property is placed on the urban rental market for residential purposes.



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If the property is rented out for residential purposes, the AL operation can be suspended for up to five years by simply notifying the municipality.

It is thus permissible to suspend operations for up to five years by simply notifying the appropriate municipal department and providing the relevant information, including a copy of the rental (or promissory) contract relating to the property.

At the end of the suspension period, lifting the suspension does not occur automatically. It is only granted when, on the date of the request, the updated ratio between AL establishments and permanent housing units does not determine a state of contention (relative or absolute) in the area in question. If the ratio indicates a state of containment, the request will be placed on a waiting list in order of submission until the ratio allows approval.

This mechanism does not apply to AL registrations granted as exceptional authorisations, which remain subject to the specific rules on such authorisations.

Condominium and complementary uses

Among the new amendments introduced to the RMAL is the requirement for prior notification with deadline of the registration of a AL establishment to include all the information and documents already specified in the RJEEAL and the previous version of the RMAL. Additionally, it must contain the condominium regulations that establish the rules for setting up and running local accommodation in a self-contained part of a building, if it exists.

If the condominium owners' meeting requests the mayor to cancel the AL registration due to repeated and proven acts that disturb the normal use of the building, cause inconvenience and affect the rest of the condominium owners, the decision on such a request must be made within 90 days of the preliminary hearing. This could already be done by a reasoned decision approved by more than half of the property's owners.

In terms of operating requirements, the RMAL stipulates that complementary uses, namely commercial and service establishments including restaurants and bars, are not permitted in AL establishments. Nonetheless, certain exceptions are legally provided for in the RJEEAL for accommodation establishments and properties built before 1951.

Conclusions

The amendments to the RMAL introduce a more rigorous and restrictive regulatory framework that promotes integrated, local-level solutions geared towards managing AL activity in conjunction with the housing needs identified by the Lisbon City Council.

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