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INFORMATIVE NOTE

PUBLIC LAW

Temporary accommodation for civil construction workers

Portugal is experiencing a housing shortage, which has created an urgent need to ensure that workers in the civil construction sector are accommodated in decent conditions. Consequently, the government has updated the relevant legislation by publishing Decree-Law 123/2025 on 21 November (the "Decree-Law").

This update:

- O Establishes that construction works intended for the temporary accommodation of workers are not subject to the prior control procedures of <u>Decree-Law 555/99</u> of 16 December. This is because these living quarters are regarded as satellite facilities of the construction sites they serve.
- O Determines the obligation to prepare architectural and specialised projects in accordance with the technical requirements of current legislation.
- O Clarifies the obligation to comply with legislation applicable to: (i) classified protected areas; (ii) Natura 2000 Network areas; (iii) special conservation areas; (iv) special protection areas; (v) protection areas for classified or soon-to-be-classified immovable property; (vi) areas included in the National Ecological Reserve and the National Agricultural Reserve; and (vii) areas in the public domain covered by administrative easements.
- O Brings the rules on temporary accommodation for construction workers closer to the rules on construction sites (<u>Decree-Law 273/2003</u> of 29 October).
- Establishes a set of requirements aimed at safeguarding the right to work in hygienic, safe and healthy conditions.

The Decree-Law applies to: (i) entities in the private, cooperative and social sectors; (ii) central, regional and local public administrations; and (iii) public institutes and other legal persons governed by public law. Furthermore, it takes precedence over any collective labour regulations, unless these are more favourable to posted workers.

The Decree-Law will enter into force on 21 December 2025. Any temporary accommodation designed or in existence on the date of the Decree-Law's entry into force must be adapted to the new provisions within 12 months. Approval of a ministerial order setting out the required technical standards and specifications for this temporary accommodation is still pending.

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Without prejudice to the respective architectural and specialised projects, works of this nature are not subject to the prior control procedures set out in Article 4 of the RJUE (Legal Framework for Urban Planning and Construction).

Types of temporary accommodation

The Decree-Law defines three types of temporary accommodation. The employer's choice must be based on principles of equality and non-discrimination, and adapted to the nature and duration of the work. The three types are:

- o Provisional structures
- Adapted buildings
- O Existing residential buildings

More than one type of temporary accommodation may be made available at each construction site.

Conditions of the temporary accommodation

The Decree-Law establishes rules on:

- O Location: priority is given to accommodation within the construction site. Where this is not feasible, accommodation should be provided in nearby properties that do not compromise workers' rest or access to essential infrastructure.
- The maximum duration is 36 consecutive months.
- O A procedure must be followed prior to use, which requires: (i) preparation of a temporary accommodation plan (subject to approval or validation); (ii) preparation of a scheduled maintenance plan; (iii) performance of an initial inspection; and (iv) adoption of internal regulations.

$Specific \ requirements \ for \ temporary \ accommodation \ in \ provisional \ structures \ and \ adapted \ buildings$

Without prejudice to the respective architectural and specialised projects, works of this nature are not subject to the prior control procedures set out in Article 4 of the RJUE (Legal Framework for Urban Planning and Construction).



However, the executing entity must provide a security deposit in one of the forms set out in the Decree-Law: an independent bank guarantee on first demand; a mortgage on real estate; a cash deposit; or surety insurance. The security deposit must be equal to the budget for the construction and dismantling of the temporary accommodation. It must also remain valid until the situation prior to the installation of the temporary accommodation is restored. Following the issue of the declaration of conformity, the security deposit may be partially released, in an amount corresponding to the budget for the construction of the temporary accommodation. The security deposit may be waived if insurance for the construction and dismantling of the temporary accommodation is provided. This insurance must either be issued by an insurance company for an amount covering the work budget, or it must be a joint liability declaration issued by a bank for the same amount.

Within 30 days of completing the work, the executing entity must restore the situation prior to installation, failing which the work will not be provisionally accepted.

Supervision and control mechanisms

The Decree-Law also reinforces supervision and control mechanisms throughout the entire period during which the accommodation is in use. It requires regular inspections and half-yearly internal audits, as well as external audits where necessary. At the same time, it defines the responsibilities of each party involved and establishes a framework for administrative offences. It also strengthens the supervision carried out by the ACT (Authority for Working Conditions).

Key obligations for the project owner – which includes the concessionaire in a public works concession contract

- O Approve or validate the temporary accommodation plan drawn up by the executing entity (if the project owner does not draw up the plan themselves).
- O Prevent the start of installation of the accommodation if the plan is not approved/validated.
- Inform the executing entity of the approved/validated plan.
- Communicate the temporary accommodation plan to the ACT when mandatory notification of the construction site opening is required.
- Ensure that the executing entity complies with the plan.
- ${\tt O} \ \ {\tt Activate} \ the \ security \ deposit \ and \ restore \ the \ previous \ situation \ if \ the \ executing \ entity \ fails \ to \ do \ so.$
- O Not proceed with provisional acceptance of the works by the owner until the situation prior to installation of the temporary accommodation has been restored.



The Decree-Law also reinforces supervision and control mechanisms throughout the entire period during which the accommodation is in use. It requires regular inspections and half-yearly internal audits, as well as external audits where necessary.

Key obligations for the employer – which is anyone with workers on site, including temporary workers or those on occasional secondment. The employer may be the contractor, subcontractor, or the project owner when carrying out the work directly

- O Provide accommodation at no cost to the worker, with no salary deductions.
- O Ensure suitable hygiene, health, ventilation, lighting, safety and comfort conditions.
- Provide essential services, including water, sanitation, energy, communications, waste disposal and transport.
- O Immediately resolve any non-conformities identified.
- O Draw up and enforce internal regulations.
- O Conduct regular inspections and external audits when required.
- O Create and implement periodic training for workers on the use of equipment and safety.

Key obligations of the executing entity - which carries out all or part of the work

- O Prepare the temporary accommodation plan, including all technical specifications, during the preparation phase of the PSS (Health and Safety Plan) or safety procedure sheets. If these documents do not exist, use the works contract instead.
- O Inform all parties involved in the work of the approved temporary accommodation plan and include the obligation to comply with it in the contracts signed with these parties.
- ${\tt O}\ \ Carry$ out the installation of the accommodation in the applicable types.
- Provide a guarantee to ensure the integrity of the temporary accommodation facilities and the restoration of the situation prior to their installation.
- Restore the previous situation and bear the costs of doing so.
- Monitor the internal audits to be carried out by the site safety coordinator.
- ${\tt O}\ \ {\tt Post}\ {\tt emergency}\ {\tt plans}\ {\tt for}\ {\tt the}\ {\tt fire}\ {\tt safety}\ {\tt project}\ {\tt in}\ {\tt buildings}\ {\tt on}\ {\tt the}\ {\tt construction}\ {\tt site}.$
- O Changes to the temporary accommodation plan must be communicated to the ACT within 48 hours of approval. ■

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