



Holiday Lettings – The licensing of “local accommodation” under the new law

For years, the Portuguese government has sought to bring into the mainstream what has become known as “parallel beds”, by making it mandatory for any owners who let their properties for short-term holiday rentals to obtain a license for that purpose. This would also alert the authorities to the rentals, in an attempt to recover tax on any rental income received by those owners.

After a series of badly implemented legislation, on March 2008, Decree Law 39/2008 and subsequently Regulation 517/2008 came into force. It was legislation that had been long-awaited by the tourism sector which sought to simplify procedures in requesting licenses and all the requirements connected to these kinds of developments and units.

This legislation classified properties used for private holiday lettings as “local accommodation units” and made it mandatory for them to obtain a special license for this purpose.

This license is necessary whenever a property owner wishes to let out his/her apartment or villa for periods of less than 30 days, with the adequate habitation license, at a cost, without having the necessary requirements to be considered a tourism development. These units must, however, meet the minimum requirements of safety and hygiene required by the above-mentioned regulation.

These licensed units need to be registered at the competent Town Council and only the properties that have been duly licensed and registered can be used for holiday lettings.

The request is lodged at the Town Council where the property is situated and a number of documents need to be lodged along with the request.



In addition to the proof of title, the owner needs to have an inspection and submit the report of competent technicians in relation to electricity, gas and boiler systems.

In addition, there are certain limitations on the marketing of these units, who have to be clearly identified as being “local accommodation units” (*“estabelecimentos de alojamento local”*).

The legislation has been in force for over a year now and the general feeling is that it has been well received by the sector and fairly well implemented by the Town Councils. The inspections of the compliance with these laws has been undertaken by the Authority for Food and Safety (ASAE) and the fines for non compliance, which can be as high as Euros 44.891,82 in the case of corporate entities, are applied by a commission specifically created for this purpose.

It is therefore essential that anyone who is actively advertising their holiday home for rentals is aware of the risk they run if they have not made an application for the license for local accommodation. It has fortunately proved to be fairly straightforward to obtain.

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