

# Real Estate

## More Housing Program - Chapter I

### Promotion of Residential Lease



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### Law no. 56/2023, of October 6, More Housing Program (“Mais Habitação Package”)

After months of anticipation and discussion (by the public and by the several national sovereign bodies), Law no. 56/2023, commonly known as More Housing Program (“*Pacote Mais Habitação*”), was published on 06.10.2023.

Such law establishes several measures with the central purpose of guaranteeing more housing, resulting in the amendment of a considerable number of legal provisions.

Our goal here is to inform the most important measures approved by this law.

#### A. Creation of a line of financing for the promotion of affordable lease for residential purposes

- A line of financing was created for the promotion of affordable lease for residential purposes (applicable also to student accommodation under certain conditions), which regulates the granting of funding to housing cooperatives, and to contractors for cost-controlled construction.

- Various entities can access this financing, including (i) commercial companies engaged in construction, in consortium or other form of association with companies whose corporate purpose includes lease for residential purposes and property management; (ii) entities engaged in real estate development and real estate investment; and (iii) municipalities and parish councils, individually or in partnership with the aforementioned entities.
- In order to promote affordable lease for residential purposes, in addition to tax incentives, it will be possible to resort to financing lines of up to €250,000,000.00 and the be assigned with surface rights for a maximum period of 90 years for public land and public buildings (with the respective real estate being allocated to affordable lease for a minimum period of 90 years, renewable when the surface right is assigned, or 25 years in other cases).

## **B. Incentives for Leases for residential purposes**

Public entities are now allowed to acquire properties or controlled cost residential developments, including the ancillary parts of the real estate, built or to be built, for affordable rent, and the value of the acquisition must be compatible with that resulting from the evaluation procedure.

## **C. Urban Rehabilitation**

The Legal Framework for Urban Rehabilitation is amended so that, if the delimitation of a rehabilitation area elapses in the event of the corresponding rehabilitation operation not being approved within 3 years, this does not have any effect on owners and holders of other similar rights, encumbrances and charges who have been granted tax benefits in this context.

**Meet the team:**

