



INFORMATIVE NOTE

2018

Short Term Rental

INTRODUCTION

In Portugal, the Short Term Rental regime was legally introduced, in 2008.

Since then, following the consistent yearly growth of tourism in Portugal, there has been an extremely high demand for this housing option in the tourism sector. Short Term Rental has become an increasingly more common instrument for real estate owners to explore the economic potential of their property, benefiting from a simplified legal mechanism that facilitates the access to a lucrative business activity.

The legal regime contemplates three different types of Short Term Rental establishments:

// **Houses/Villas** – single-family housing units;

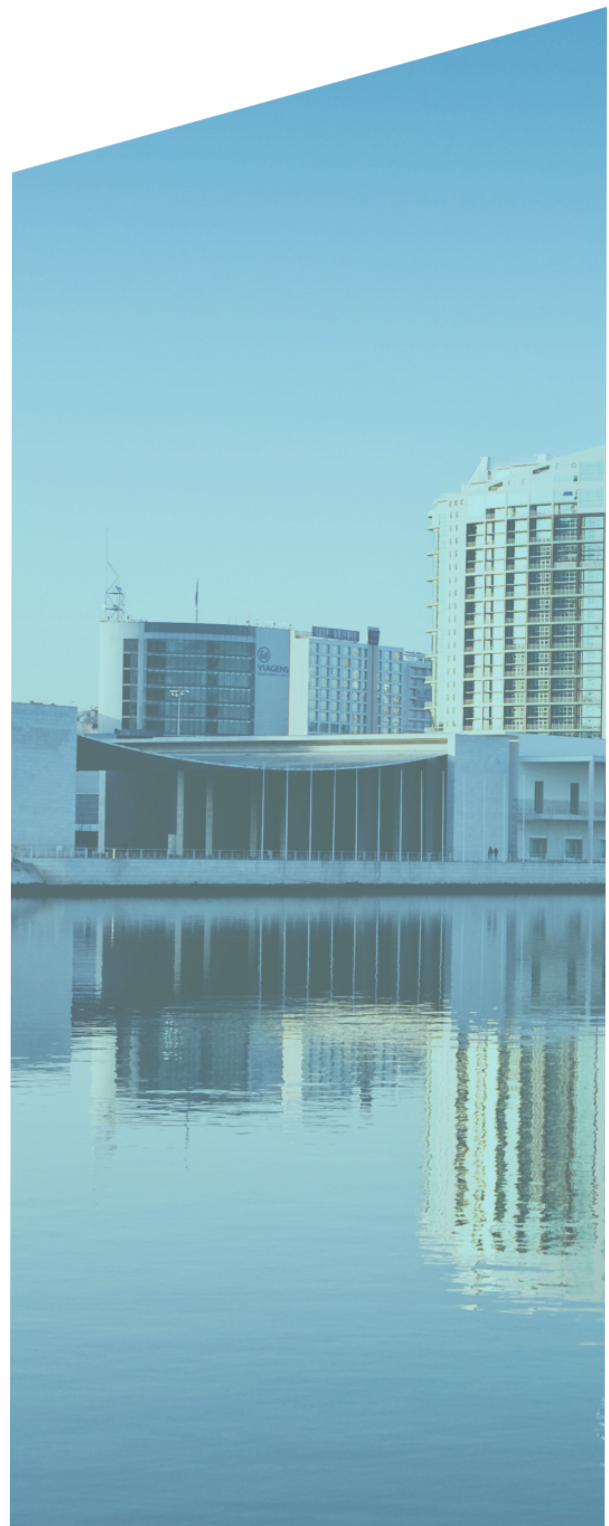
// **Apartments** – housing consisting of a specific independent unit in an urban property;

// **Lodging establishments/Hostel** – accommodation units separated into independent rooms.

LEGAL FRAMEWORK

The Short Term Rental regime encompasses all establishments that provide temporary housing to tourists for a fee, provided that these establishments fulfill the following general requirements:

// Maximum capacity not exceeding the number of 9 rooms and 30 guests (except for the Hostels);



INFORMATIVE NOTE

2018

Short Term Rental

// Access to certain basic services and infrastructures, such as water, sewage, etc.;

// Architectural and structural specifications of the property;

// Compliance with minimal health and hygiene standards;

// Compliance with basic emergency and safety requirements;

In the case of lodging establishments/Hostel, there is an additional set of specific requirements which must be complied with. Furthermore, if another commercial activity is carried out in relation with the Short Term Rental services, such as restaurants & bars, specific legislation must be observed.

// **Corporate Income:** (on simplified regime)

› House or apartment – taxes fall upon 35% of the gross income

› Hostel – taxes fall upon 4% of the gross income

(*Since 2018, the application of this coefficient is partially conditioned to the investigation of costs and expenses actually incurred)

REGISTRATION

The Short Term Rental establishments are subject to a specific and simple procedure in order to register and open the said establishments (designated “*Mera Comunicação Prévia*”) which shall be accompanied by specific legal documents presented by the investor and carried out by the competent municipality.

This procedure is concluded with the issuance of the respective number, which allows the immediate opening of the Short Term Rental establishment.

No taxes are charged for such procedure.

TAX REGIME

Short Term Rental operations are subject to a specific and more beneficial tax regime.

// VAT Tax Reduction (from 23% to 6%).

// **Personal income:** (on simplified regime)

› House or apartment – taxes fall upon 35% of the gross income*

› Hostel – taxes fall upon 15% of the gross income

For further information please contact:

/TOURISM & LEISURE PRACTICE AREA

Domingos Cruz – dc@cca-ontier.com

Madalena Azeredo Perdigão – map@cca-ontier.com

A GLOBAL FIRM WITH A LOCAL SOUL
pt.ontier.net