

NEW REGIME FOR REHABILITATING OLD BUILDINGS - PBBR

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A temporary and exceptional regime applicable to some rehabilitation works has been created by Decree-Law nr. 53/2014, which was published on 8 April 2014. The law came into force on the following day, 9 April, 2014.

The legal regime regarding rehabilitation was initiated on August 14, 2012, with Law 32/2012. The reform was adopted by the Government within the scope of the Memorandum of Understanding executed between Portugal and the Troika (the European Commission, IMF and ECB), in the context

of the financial assistance programme granted to Portugal.

The objectives were clear: to protect existing constructions; to motivate the market for urban rehabilitation; to allow such a market to provide the Portuguese with housing solutions; and to promote the development of the economy.

To complement the publication of the above mentioned Decree-Law 32/2012, the Government appointed a commission to analyse and set the minimum technical requirements for the rehabilitation works of old buildings.

The main conclusion of the commission was that rehabilitation works have a different nature and should be treated differently from new works, therefore the legal requirements applicable to their licensing should also be different.

The commission concluded that the legal and technical requirements previously applicable to rehabilitation licensing works forced many old building owners to opt to put their properties on the market in their current condition, avoiding long and difficult procedures in some cases and significant costs to implement some technical requirements in others.

In order to remove these obstacles, the new Decree-Law 32/2014 creates a regime that exempts some rehabilitation procedures from certain licensing and technical requirements. The regime is defined as temporary and exceptional. The regime shall remain in force for only seven years.

The regime is exceptional because it is only applicable to rehabilitation works on buildings or autonomous units whose construction has been concluded for more than 30 years, or to those located in urban areas classified as rehabilitation areas if the properties are mainly for housing purposes. Buildings or autonomous units are considered as mainly for housing purposes if 50 per cent of the area is intended to be for housing purposes or for complementary uses, notably parking spaces, storage spaces or social use.

The temporary and exceptional exemption – in the context of the licensing procedures for obtaining a construction permit for the relevant rehabilitation works (as opposed to new construction works or other rehabilitation works) – applies to the legal / technical requirements related to (i) particular rules foreseen in the General Regulation of Urban Buildings (ii) accessibilities (iii) acoustic (iv) energy efficiency and thermal quality (v) gas installations and (vi) some regulation concerning telecommunication infrastructures.

These measures aim to solve, in a very pragmatic way, a problem in the Portuguese rehabilitation market – that is, the aforementioned legal and technical requirements, if applied to the rehabilitation of old buildings, make the resulting procedures non viable, or even impossible, and certainly very expensive.

If the proposed measures work in an efficient way, we believe the temporary and exceptional regime may in fact contribute to the promotion of investment in the rehabilitation market, protect existing constructions and also encourage the acquisition of houses in city centres.

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