

## Illegal lettings

There has been a great deal in the media recently concerning the illegal letting of properties to holiday makers and the new laws which have been approved within Government but have yet to be published. It is our understanding that the new regulations are broadly similar.

Needless to say, it is important that property owners who are either currently letting or are intending to let their property are fully compliant with all the laws and regulations concerning this activity. This is not only necessary in terms of fiscal compliance, but also to ensure that the properties concern meet the required safety standards and afford proper protection to holiday makers.

Owners of properties who do not have the required licence are placing themselves at risk as the property itself may therefore not be insured in the event of a claim. Many insurance policies include conditions that the property must comply with local legal requirements. This could manifest itself in a number of ways such as a tenant becoming a victim of crime whilst on the property or through an accident.

In addition to this, the failure of owners to meet their tax obligations in respect of the proper disclosure of rental income through tax returns may well find themselves on the wrong side of the law both in Portugal and overseas.

Safe Communities Algarve has met with ASAE, Turismo do Algarve and SEF to discuss this issue and examine ways to publicise the existing and new laws to ensure compliance which is both in the interests of owners and those renting properties. It is also important that opportunities are given for property owners to seek clarification from the authorities where necessary. A number of proposals have been put to Turismo do Algarve to reduce the illegal letting of properties and it is understood that these are being examined.

It is clear from discussion with ASAE that they intend to rigorously enforce the existing laws which have been in effect since 2008. It is understood that the Algarve and areas around Lisbon are being focused on as areas where there is currently a high level of non-compliance.

The need for compliance is essential in order to ensure safety by obtaining the proper gas and electricity certificates and provide a reasonable level of security all of which are conditions of the licence. Owners have a duty of care to their "clients" to make sure this is done in order to let their properties legally.

Registration for Local Lodging licence (Alojamento Local) is done in person or by sending a letter of application to the local Municipal Council office providing the following information:

- Name, address and identification documents of the owner
- Identification and location of the property to be let

- Type of property; occupancy capacity of the property
- Proof of legitimacy of applicant

Copies of the following documents should accompany the application

- Habitation licence
- Property document ("Caderneta Predial) from Financas
- Terms of Responsibility by qualified technicians for electricity and gas (if present) installations and others,
- Technical drawings of the property to be let.

It is strongly recommended not to rent a holiday home that does not have the required license as this could be putting yourself and your family/friends at risk. If in doubt as to see a copy of the license.

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