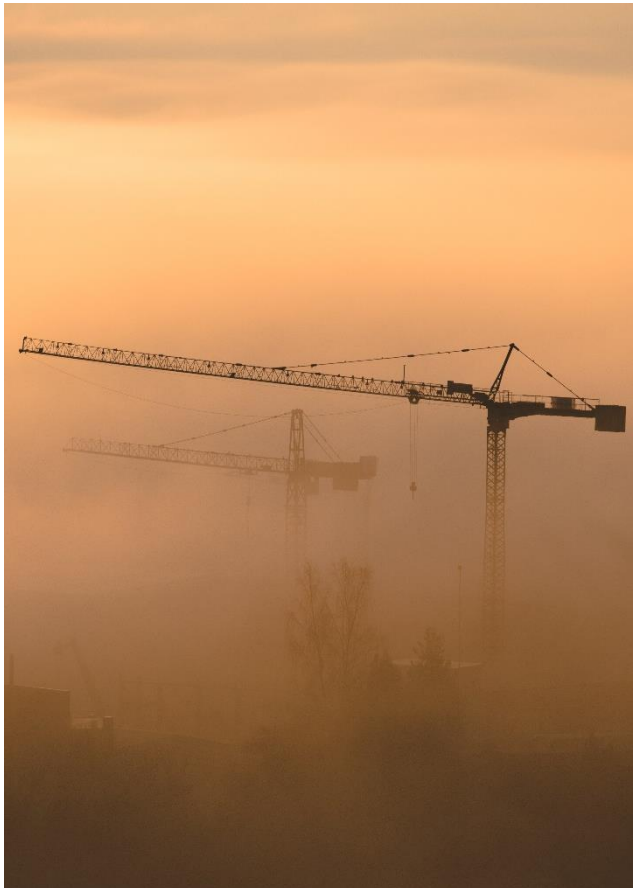

Amendment of Madrid Land Act in relation to regulating phasal development of urban areas

Legal flash, ACI Public Law

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On April 26, the Act amending Act 9/2001 of July 17 on Land in the autonomous region of Madrid, regulating urban developments through phases or functional units, was published ([BOAM No. 176](#)).



The reform will allow city councils, when developing large urban areas, to grant first occupancy licenses based on independent phases or functional units from the receipt of the urban development works for those phases or units. This will avoid the (i) delays that have been taking place until now, and (ii) the legal uncertainty problems arising from the execution of works in stages.

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Introduction and main lines of the reform

- On April 19, the plenary meeting of the Madrid assembly approved an amendment to Madrid Land Act 9/2001 of July 17, regulating urban development through phases or functional units.
- The new regulation completes the legal system applicable to urban developments when these have been divided into stages. It establishes the (i) requirements to be met by these stages; and (ii) legal consequences derived from the city council's acceptance of the urban planning works completed in each stage, even if the entire execution unit has not been completed.
- The reform aims to cover a legal void that had existed until now in the autonomous region of Madrid's urban development regulations, which had led the Madrid High Court of Justice to cancel certain first occupancy licenses, considering that the urban development works of single execution units had to be executed in their entirety to be accepted by the administration. That is, until now, only when the administration accepted the full urban development of the execution unit could the buildings be understood to be ready to be occupied. Therefore, this amendment enables buildings to be occupied when their construction is completed with all the guarantees of habitability and urban development in the corresponding phase or functional unit.

Phasal urban development

- The amendment establishes that execution units can be developed by independent phases or functional units, if it is possible to technically justify that they (i) are capable of providing the use for which they are intended, and (ii) allow public services to be provided autonomously and independently.
- It also includes a provision under which, if execution by phases or functional units of an execution unit was not established in the planning or in the urban development project, the city council must accept this form of development by signing an urban planning management agreement with the owners. There is a limitation on the above: the periods established for development by phases or functional units must not exceed the maximum period for management and full execution of the execution unit.

Partial receipt of urban development works

- Under the reform, partial receipt of urban development works is possible when these can be executed by independent phases or functional units if they (i) are capable of providing



the use for which the functional phase or unit is intended, and (ii) can be delivered for use or to the public service autonomously and independently of the rest of phases or functional units.

Granting of licenses for first use and occupancy

- Partial receipt of urban development works will enable the first use and occupancy of those buildings whose execution was authorized in the corresponding phase or functional unit by means of a license or affidavit.

Coming into force and transitional system

- The reform will come into force on the day after publication of the Act in the Official Gazette of the Autonomous Region of Madrid.
- The amendment establishes the following transitional system to be effective when the amendment comes into force:
 - Partial receipt of urban development works: when the regulatory amendment comes into force, in the case of execution units for which urban development works have been partially received, licenses can be granted and affidavits accepted for the (i) construction of the building, and (ii) first use and occupancy of the buildings authorized in the phase or functional unit that was received.
 - The legal system established in the reform will apply to those licenses or affidavits being processed or pending approval.

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