

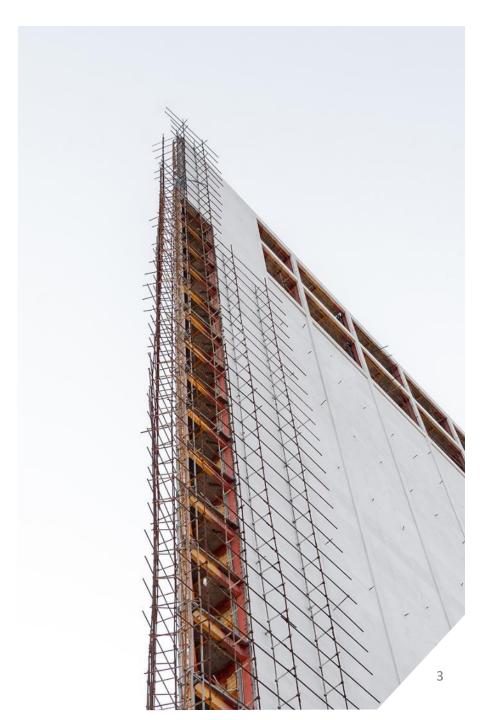
Editorial

The Urban Development Simplex (Simplex Urbanístico) legislative package, approved by Decree-Law 10/2024 of January 8 ("Decree-Law 10/2024" or "Simplex"), aims to reform the legal regime on permits for urban development operations while retaining the existing system structure that has been in force in Portugal since the Legal Regime for Urbanization and Building ("RJUE") was approved in 1999.

The approved amendments aim to simplify and speed up procedures. This goal will be achieved either by eliminating or easing existing legal requirements and parameters used to assess projects, or by removing the legal opportunity for licensing bodies—particularly municipal councils—to intervene. For example, the range of urban development operations that are currently subject to prior notification or are exempt from prior checks will be expanded.

It is worth noting one significant paradigm change brought about by these amendments: the shift of municipalities' control of urban development operations from the pre-execution phase (prior control) to the moment of execution or even completion (simultaneous and successive checks).

This guide summarizes the most significant amendments and their impact. However, it is not an in-depth study, which requires analyzing specific cases, further developing the analysis of the rules in question, and considering administrative practice.



1. Overview of main changes

Decree-Law 10/2024 amends 10 legislative documents and revokes 3 decree-laws. We highlight the main changes below:

1 REVOCATION OF DECREE-LAW 281/99 OF JULY 26

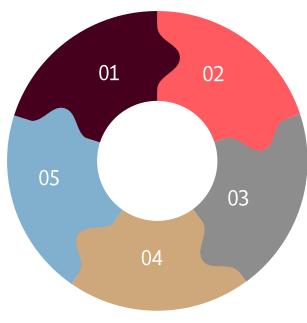
The decree-law that mandated the presentation of a building permit or use permit when transferring ownership of urban buildings has been revoked. This will have an impact on transactions.

- 5 RJIGT
 LEGAL REGIME ON LAND USE INSTRUMENTS
- Land reclassification:

Simplifying the procedures for reclassifying rural land as urban land for industrial, storage or logistics uses and, where public property adjacent to urban land is involved, for affordable housing.

- New simplified procedure for converting properties for residential use and constructing new buildings for housing in urban areas that are classified in the applicable zoning plan as areas for facilities, commerce and services.
- Speeding up of the approval of urbanization plans and detailed plans:

Elimination of the monitoring by the regional coordination and development commissions ("CCDRs") and the consultation phase.



4 PORTUGUESE CIVIL CODE

Change of use of autonomous units for housing purposes:

The consent of other condominium owners is no longer required.

² RJUE

- **PIP**: Extension of the validity and expansion of the effects of a favorable prior information issued following a prior information request ("PIP").
- **Prior checks:** New exemptions and prior notification cases. Licensing cases are more limited, and interested parties can no longer opt for licensing in the case of operations that are subject to prior notification.
- Assessment and decision: Limitation of municipal councils' powers to decide on changes. New deadlines and rules for calculating deadlines for issuing licenses under penalty of tacit approval.
- Replacement of the building permit with the fee payment receipt.
- Elimination of the use permit: New rules for verifying the use of buildings and autonomous units.
- **Electronic platform for urban development procedures**: Impact deferred until 2026.

3 RGEU

Adaptation of building construction and intervention rules to current requirements on safety, hygiene, comfort, energy efficiency, and accessibility.

Revocation of the RGEU, effective from June 1, 2026. It is anticipated that the Construction Code will have entered into force by that date.

2. Transfer of ownership of urban buildings:

Obligation to present licenses and housing technical datasheets (FTHs) revoked

Decree-Law 281/99 of July 26 revoked

The decree-law that required the presentation of a building permit or use permit to a notary when transferring ownership of urban buildings has been revoked.

Retroactive effect

Entered into force on January 1, 2024.

New duty of information

When carrying out legal transactions involving the transfer of ownership of urban buildings, any of the following individuals must inform the buyer that the property may not have the necessary building permit or use permit:

- the registrar;
- assistant or clerk;
- notary;
- lawyer; or
- solicitor.

Impact

Although a property can be sold without the required building permit or use permit, the duty to inform the buyer about the absence of such a permit or license still applies.



3. Overview of changes to prior checks (RJUE)

Overview of new rules

A favorable prior information issued after a PIP is now valid for **two years** and can be extended for an additional year.

In certain cases, such as areas subject to a detailed plan or subdivision operation, a favorable PIP can exempt a project from a prior check.

Impact: To benefit from this exemption, it is crucial to determine whether a specific case qualifies for a prior check and to draft the PIP well.

Entry into force: March 4, 2024

Licensing: The **pr**ocedure applies in areas with less intense urban development or subject to administrative easements and public use restrictions, as well as in the cases outlined in **point 6** - <u>Licensing cases</u>.

New decision deadlines have been established, as well as new rules for calculating these deadlines. Decisions can now be considered **tacitly approved**. However, tacit approval rules do not apply to pending procedures, but only to procedures starting after March 4, 2024. For more information, see **point 9** – <u>Licensing decision deadlines - tacit approval</u>.



Application for project approval

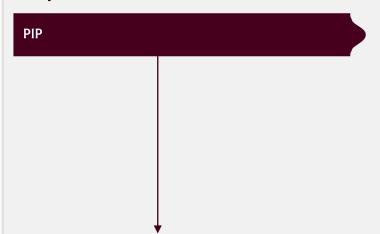


The final decision to grant the license application or a tacitly approved decision constitutes the license to carry out the urban development operation.

The fee payment receipt replaces the building permit.

The use of a building or its autonomous units after work that requires a license has been completed is only contingent on the delivery of:

- (i) a declaration of responsibility; and
- (ii) the final blueprints if any changes were made to the original project.



Licensing

Prior notification

Prior notification:

New prior notification cases – see **point 5** - New prior notification cases

<u>If an operation requires prior notification, developers cannot opt to submit the operation in question to a licensing procedure.</u>

Entry into force: March 4, 2024

Exemptions: In addition to certain cases where a favorable PIP exempts an operation from a prior check, new exemptions have been established. For more information, see **point 4** – New exemptions from prior checks.

The steps and phases of the procedure can now be carried out simultaneously, eliminating the need to carry them out successively.

4. New exemptions from prior checks (RJUE)

In addition to (i) conservation works, (ii) works of minor urban impact, and (iii) plot detachments that were already exempt from prior checks, the Simplex has introduced the following new exemptions:

- Alterations inside buildings or parts of buildings that improve or do not damage or affect the building's structural stability, do not entail changes in the height or shape of the façades, roofs, or roof coverings, and do not involve removing façade tiles (azulejos) (regardless of whether they face the street or the yard).
 - Reconstruction and extension work that does not entail increasing the height of the façade, even if it increases
- Reconstruction work in areas subject to an easement or public use restriction that does not increase the height of the façade, even if it increases the number of floors and the floor area.

the number of floors and the floor area.

- **Subdivision operations** in an area covered by a detailed plan and requiring registration.
- Urban development works preceded by a favorable prior **notification** that includes the aspects provided for in points a) to f) of article 14 of the RJUE.
- Compulsory work ordered.
- Demolition work on illegal buildings.

A qualified technician must issue a declaration of either improves or does not damage the structural work began. This document may be requested in any subsequent inspections.

responsibility, stating that the work—taken as a whole stability of the building compared to its state before the

modify the building's structural stability. However, following the current amendments, a declaration of responsibility from a qualified technician is now sufficient to demonstrate that the work either

stipulated that changes could not

improves or does not compromise the building's structural stability.

Under the previous version of the RJUE, reconstruction work that did not increase the height of the façade or the number of floors required prior notification.

Previously required prior notification.

Comparison with the previous RJUE version The previous version of the RJUE

Retroactive: Entered into force on January 1, 2024.

Impact

In these new cases, there is no need for a license, prior notification, or any other type of prior check.



The exemption does not apply to properties that are:

- classified or in the process of being classified:
- located in protected areas and are classified or in the process of being classified.

5. New prior notification cases (RJUE)

The following urban development operations are subject to prior notification:

- · Subdivision operations in an area covered by:
- i) a detailed plan published after March 7, 1993, which includes an urban design and provides for the division into plots, the maximum number of dwellings, and the placement and scheduling of urban development and building works; or
- ii) an urban development unit that provides for the basic polygon for the placement of buildings, the construction area, the division into plots, the maximum number of dwellings, and the placement and scheduling of urban development and building works.
- **Urban development works** and **land remodeling works** in an area covered by:
 - i) a detailed plan published after March 7, 1993, which provides for the placement and scheduling of urban development and building works;
 - ii) a subdivision operation; or
 - iii) an urban development unit that provides for the placement and scheduling of urban development and building works.
- Construction, alteration, or extension works in an area covered by:
 - i) a detailed plan;
 - ii) a subdivision operation; or
 - iii) an urban development unit that provides for the plots, the alignments, the basic polygon for the placement of the buildings, the total height of the buildings or the height of the façades, the maximum number of dwellings, and the construction area and respective uses.
- Construction, exterior alteration, or extension works in a consolidated urban area that comply with municipal or intermunicipal plans and do not result in a building with a height exceeding the most common façade height on the side of the street where the new building will be located, within the section of the street between the two closest intersections on either side.
- The construction of swimming pools associated with the main building—this was already envisaged in the RJUE.
- Changes to the use of buildings or their autonomous units, or to any information contained in a use permit that has already been issued, when they are not preceded by urban development operations subject to a prior check. Although not provided for in the article 4 list, this also includes the use of new buildings or new autonomous units following construction works exempt from a prior check under article 6.1.a)—in this case, prior notification with a deadline.

In cases where the operation is exempt from prior checks, an order terminating the procedure may be issued.



Entry into force: March 4, 2024

In operations subject to prior notification, the interested party cannot opt for a licensing procedure—it is important to be aware of the cases subject to prior notification.

During and after the works are carried out: The risk of inspection and the possibility of being ordered to carry out alteration or demolition works to restore legality, as well as the imposition of other sanctions. Therefore, extending the (compulsory) prior notification cases increases the accountability of developers and professionals to ensure their projects comply with applicable urban development rules.



6. Licensing cases (RJUE)

The following urban development operations require a license:

- Subdivision operations in areas not covered by:
 - i) a detailed plan published after March 7, 1993, which includes an urban design and provides for the division into plots, the maximum number of dwellings, and the placement and scheduling of urban development and building works; or
 - ii) an urban development unit providing for the basic polygon for the placement of buildings, the construction area, the division into plots, the maximum number of dwellings, and the placement and scheduling of urban development and building works.
- Urban development works and land remodeling works in an area not covered by:
 - i) a detailed plan published after March 7, 1993, which provides for the placement and scheduling of urban development and building works;
 - ii) a subdivision operation; or
 - iii) an urban development unit that provides for the placement and scheduling of urban development and building works.
- Construction, alteration, or extension works in an area not covered by:
 - i) a detailed plan;
 - ii) a subdivision operation; or
 - an urban development unit that provides for the plots, the alignments, the basic polygon for the placement of the buildings, the total height of the buildings or the height of the façades, the maximum number of dwellings, and the construction area and respective uses.
- Work on the upkeep, reconstruction, extension, alteration, or demolition of classified properties or properties in the process of being classified, as well as properties that are part of complexes or sites that are classified or in the process of being classified, and work on the construction, reconstruction, extension, external alteration, or demolition of properties located in protected zones for classified properties or properties in the process of being classified.
- Reconstruction works resulting in an increased façade height.
- Demolition works that are not envisaged in a license for reconstruction works.

- Entry into force of this evaluation limitation: March 4, 2024
- Construction, extension or demolition work on buildings in areas subject to an administrative easement or public use restriction, except as provided for in special legislation.
- Urban development operations resulting in the removal of façade tiles (azulejos), regardless of whether they face the street or the yard.

An order terminating the procedure may be issued in cases where the operation is not subject to prior checks or prior notification.

The evaluation of the architectural plan focuses exclusively on its conformity with:

- a) municipal or intermunicipal land-use plans;
- b) preventive measures;
- c) priority urban development areas;
- d) priority construction areas;
- e) administrative easements;
- f) public use restrictions;
- g) proposed use;
- h) legal and regulatory standards regarding the external appearance and the urban and landscape integration of the buildings, if municipal plans or regulations specify these aspects; and
- i) adequacy and capacity of the infrastructure.



Entry into force: March 4, 2024

In operations subject to prior notification, the interested party cannot opt for licensing. Therefore, it is important to be aware of the cases that require prior notification.



7. Assessment and supervision by municipal councils (RJUE)

When assessing the architectural plan, municipal councils cannot examine elements other than those now expressly listed in the RJUE. For example, they are **prevented** from assessing:

- a) plans for works on the interior of buildings or their autonomous units;
- b) the existence of compartments or locations for garbage cans or other street furniture; or
- c) specialty plans.

From a procedural perspective, the Simplex aims to end each municipality's practice of establishing its own procedural rules and requiring documents other than those established by ordinance. To achieve this, it stipulates that any municipal regulations that establish these rules and requirements risk being invalid. This should prompt municipalities to review their urban development and building regulations.

For greater accessibility and legal certainty: From April 8, 2024, the urban development regulations of each municipality will be published in the Official Gazette.

Supervision focuses exclusively on compliance with legal standards and not on aspects related to:

- convenience;
- opportunity; or
- the technical options of urban development operations.

8. Calculating deadlines, requests for information and opinions (RJUE and Decree-Law 309/2009)

- Deadline start date: From the date the application is submitted, regardless of whether external entities are consulted.
- The applicant is notified once so that it can correct or complete the application within 15 business days. This period is only suspended if the applicant fails to act.
- If there is no preliminary rejection or invitation to correct or complete the application or notification within the established 15 business days, the application or notification is considered to have been correctly lodged. Subsequently, the applicant cannot be asked for any corrections or additional information, and the council cannot reject the application on the grounds that it is incomplete.

Exemption from the opinion on cultural heritage matters: For operations in protected zones for properties in the process of being classified or properties classified as being of national or public interest, the opinion of the cultural heritage entity is not required in the following situations:

- i. alterations to the interior of a property that do not have an archaeological impact or an impact on the architectural components in question or on cultural heritage;
- ii. upkeep works on the exterior of a property that do not change important architectural elements;
- iii. operations mentioned in the ordinance establishing the special protection area; and
- iv. installation of billboards, signs, awnings, terraces, and street furniture.

If a license application concerns a property that is classified as being of national or public interest and an opinion is requested from *Património Cultural, I. P.*, or from the pertinent CCDR, **municipal councils are not permitted to request new opinions on cultural heritage matters**, including from their own internal departments.



Limitation of municipal powers and greater uniformity in matters of legality.



Impact

Greater certainty about when deadlines start running.

Greater responsibility for the preliminary assessment of cases by municipal technical personnel.

New opinion exemptions.



9. Deadlines for licensing decisions—tacit approval (RJUE)

The municipal council must decide on the license application within:

120 days	• For construction, reconstruction, alteration or extension, upkeep, and demolition works carried out on a property with a gross construction area of less than or equal to 300 m2
150 days	 For construction, reconstruction, alteration or extension, upkeep, and demolition works carried out on a property with a gross construction area of more than 300 m2 and less than or equal to 2200 m2 Properties that are classified or in the process of being classified
200 days	• For urban development work, subdivision operations, or construction, reconstruction, alteration or extension, upkeep, and demolition works carried out on a property with a gross construction area of more than 2200 m2

The decision is subject to **tacit approval**—it may be <u>tacitly approved through a certificate</u> obtained using the electronic procedure established in Decree-Law 135/99 of April 22, under the regime established in the Environmental Simplex (Decree-Law 11/2023).

The license to carry out the urban development operation and—if requested by the interested party—the license to occupy the public space are constituted by either the final decision granting the license application or tacit approval.

In cases of tacit approval, the deadline to complete the work is the one proposed by the applicant.

Tacit approval does not apply to pending procedures, only to procedures that start after March 4, 2024.

In cases of tacit approval, the payment of fees is not a condition for the license to be effective.

10. Elimination of building permit titles (alvará) (RJUE)

All legal and regulatory references to the building permit title (alvará) must now be understood as referring to the payment receipt for the fees due by law.

The building permit title (alvará) is:

- replaced by the payment receipt for the fees due; and
- not subject to any limitation on extensions to the deadline to complete the works, provided the extension application is well founded.

Impact

Extended deadlines—however, if the decisions are not made within the set periods, the applicant can obtain an electronically issued certificate of tacit approval and start the works. Note that tacit acts can be invalid under the same terms as those of express acts.

Tacit approval only applies to procedures starting after March 4, 2024.



11. Elimination of use permit approval and use permit title (alvará) (RJUE)

Urban development operation for the use of buildings				
Use of all or part of the building after the completion	Contingent on prior notification v	vithin a period of 20 business days		
of work subject to a prior check is only contingent on the delivery of: i. a declaration of responsibility signed by the works director (diretor de obra) or the construction supervision manager (diretor de fiscalização), stating that the work has been completed in accordance with the approved plans; and	When there is a <u>change in use</u> that does not involve work that is subject to prior checks	The use of new buildings or new autonomous units following work <u>exempt from prior checks</u>		
ii. final blueprints if there have been any changes to the original project.				

12. Change in use of autonomous units for housing purposes (condominiums)

Under the Portuguese Civil Code, whenever the condominium incorporation deed does not provide for the purpose of each autonomous unit, a change in its use requires authorization from the condominium owners' meeting, approved by a majority representing 2/3 of the building's total value.

The following exception has now been made:

- A change in the purpose or use for which each autonomous unit is intended for housing purposes does not require the consent of the other condominium owners.
- Condominium owners that change the use of their autonomous unit at the municipal council now have the power to make the corresponding change to the condominium master document through a unilateral act contained in a public deed or notarized private document.
- The public deed or private document must be communicated to the condominium manager within 10 days.



A change in use is no longer contingent on the condominium owners' consent.

The only impact is in cases where the purpose of a autonomous unit is changed to housing.

This does not affect the mechanisms established in the RJUE for use as an urban development operation—see point 11 above.



13. New procedures for rezoning rural land as urban land

The RJIGT now establishes simplified procedures for rezoning rural land as urban land in the following cases:

Simplified land rezoning procedure	 Municipalities can decide to rezone rural land as urban land for economic activities using a simplified procedure, provided: a) the land is intended for industrial, storage or logistics activities and support services, or dry ports; and b) the area is not located in a sensitive area, in the Portuguese National Ecological Reserve, or in the Portuguese National Agricultural Reserve. This simplified procedure also applies to the rezoning of rural land as urban land for affordable housing or residential use, provided it is established: a) in the local housing strategy; b) in the municipal housing charter; or c) for a stock of houses.
Rezoning of land as urban land for housing purposes	Whenever the intended purpose is housing, and the land is exclusively public and adjacent to urban land, rural land can be rezoned as urban land using the simplified amendment procedure, provided the pertinent grounds are established: a) in the local housing strategy; b) in the municipal housing charter; or c) for a stock of houses or affordable housing.
Conversion and construction of buildings for housing purposes	A new simplified amendment procedure is used to determine the compatibility of converting properties for housing purposes and constructing new buildings for housing in urban areas that are classified as spaces for facilities, commerce and services in the applicable land use plan. In these cases, the use of the property as housing is presumed to be compatible. The rules of the plan relating to adjacent plots that can form a harmonious unit with the plot in question apply, but with the necessary changes. Within 20 business days of the date the intention to use the property for housing is notified, the municipal council can revoke this presumption based on well-founded public interest reasons, including: a) noise; b) parking; c) existing mobility systems; and d) green spaces and public leisure facilities.



14. Future developments under the RJUE

From January 6, 2025, opinions will have to be requested and issued using the electronic system for issuing opinions.

An electronic platform for urban development procedures will be created, which will be compulsory from January 5, 2026.

This platform will make it possible to:

- submit applications online;
- verify the status of cases and deadlines;
- receive electronic notifications;
- obtain certificates of exemption from urban development procedures;
- calculate the number of days remaining until the final decision is issued;
- pay fees; and
- submit future applications in BIM format, with automated verification of compliance with the applicable plans.

From January 1, 2030, applicants will have to submit the architectural plans established in the RJUE, modeled digitally and parametrically according to BIM methodology.

Impact

Digitalization of files, greater uniformity, and increased speed.

Electronic platform for urban development procedures—mandatory use for municipalities from <u>January 5</u>, 2026.

Mandatory submission of projects in BIM format from 2030—pilot project planned for 2027.



15. Key dates in the Urban Development Simplex

January 1, 2024	Amendments relating to works exempt from prior checks (licensing or prior notification) Amendments to the RGEU Elimination of the obligation to present the use permit and the housing technical data sheet when transfer of ownership of urban buildings is transferred New rules on changing the use of autonomous units for housing purposes in the condominium incorporation deed
March 4, 2024	All other changes introduced by the Simplex apply to procedures that started before it entered into force and are still pending, except for tacit approval in urban development procedures
April 8, 2024	Systematic publication, by municipality, of the urban development regulations in the Official Gazette of Portugal
January 6, 2025	Obligation to request and issue opinions using the electronic system for issuing opinions
January 5, 2026	Entry into force of the legal regime applicable to the electronic platform for urban development procedures
June 1, 2026	Complete revocation of the RGEU
January 1, 2030	Mandatory presentation of the architectural plan in BIM format





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