

Building Projects Over Strong Relationships

**LEGAL ALERT - Investment
Contracts for Rental Housing:
applications are now open**

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Decree-Law no. 97/2026 of 20 May created the Investment Contracts for Rental Housing (CRH). What was missing were the implementing rules needed to put the regime into practice. Those rules were published on 30 September in Ordinance (Portaria) no. 447-A/2026/I. Since 1 October, investors have been able to apply for a CIA.

A CRH can be entered into for a term of between 10 and 25 years. Throughout that period, the investor's tax benefits are guaranteed. The investor is also protected against future legislative changes that affect the economic and financial balance of the investment. In a market marked by tax instability, this is the regime's main advantage.

Eligible investments

→ Acquisition, construction or rehabilitation of buildings for residential letting, or for letting intended for residential subletting.

→ At least 70% of the total construction area must be allocated to that purpose.

→ Rents cannot exceed the moderate rent cap: 2.5 times the national minimum monthly wage (RMMG), around €2,300 per month in 2026. Annual updates follow the NRAU (New Urban Lease Regime) but can never exceed that cap.

→ Where the CRH falls under the Simplified Affordable Rental Regime (RSAA), the RSAA limits apply at the same time.

Who can invest

General requirements

Individuals, companies and other entities may apply, provided they meet five requirements:

- Technical and management capacity;
- Regularly organised accounts, suitable for monitoring the investment;
- Taxable profit not determined by indirect methods;
- Tax and social security affairs in good standing;
- Compliance with the general legal requirements for their activity.

Minimum experience

Technical capacity is shown by more than 3 years' experience in real estate investment or development, or in property or residential rental management.

This experience does not have to be the investor's own. It can be demonstrated through:

- shareholders holding 25% or more of the capital or voting rights;
- companies in which the investor holds 25% or more;
- members of the board or management.

In practice, a vehicle set up specifically for the project can apply, provided the experience exists within the group or the management team.

Please note: the requirements on accounting, taxation methods, tax and social security standing and general requirements must be maintained throughout the contract, and not only at the time of application.

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How the process works

The whole process runs on IHRU's (Housing and Urban Rehabilitation Institute) online platform, with no paper. The legal timetable is as follows:

- Up to 20 days after submission: IHRU requests corrections to the application, if needed.
- 20 days after submission (or 10 days after correction): IHRU sends the proposed draft contract.
- The draft is approved by order of the Ministers of Finance and Housing.
- 10 days after the order: IHRU signs the contract and sends it to the investor.

The application includes:

- identification of the investor and its representatives;
- title to the properties: ownership, surface right, usufruct or promissory purchase agreement;
- description of the buildings, planned works, construction areas and estimated number of dwellings;
- the intended contract term;
- access codes for the Tax Authority and Social Security certificates;
- a sworn declaration.

Watch the expiry deadlines. The application lapses automatically if the investor:

- does not make the requested corrections within 30 days;
- does not accept the draft within 90 days;
- does not sign the contract within 30 days of receiving it.

If the application lapses, a new one can be submitted.

The sworn declaration is far broader than its name suggests. It requires the investor to confirm, among other points:

- that it is not insolvent;
- that it complies with anti-money laundering rules;
- that the mandatory insurance on the properties is in force;
- that neither it nor its directors have convictions affecting their professional good standing;
- that it is not on international sanctions lists: UN, EU, OFAC (USA) and United Kingdom.

False statements can lead to termination of the CIA and a criminal complaint. For international investors and multi-layered corporate structures, this declaration requires a rigorous prior review of the entire ownership chain.

What the investor gains

The benefits are set out in Decree-Law 97/2026:

- IMT (property transfer tax) and Stamp Duty: exemption on the acquisition of the properties;
- IMI (municipal property tax): exemption for the first 8 years and a rate reduction of up to 50% for the rest of the contract term;
- AIMI (additional property tax): exemption for the full term of the contract;
- VAT: 6% rate on eligible construction works and a 50% VAT refund on architecture and engineering services.

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Obligations during the contract

→ Annual implementation report, to be submitted by the end of January each year. IHRU passes this information on to the Tax Authority by the end of February.

→ Identification of the dwellings. Where the project involves construction, extension or alteration works, or a change of use, the dwellings must be identified within 20 days of obtaining the occupancy permit. This includes land registry and tax register details, typology and areas.

→ Subletting. Leases for subletting must contain mandatory clauses: exclusive allocation, compliance with the rent cap, and a duty to inform and cooperate with IHRU and AT inspections. If these clauses are missing, the landlord may terminate the lease.

→ Sale or exit from the investment. Assignment of the contractual position requires authorisation from the Minister of Housing. IHRU has 10 days to make a proposal and the Minister has 10 days to decide. The buyer must meet the same eligibility requirements.

→ CRH certificates, full or specific, available at any time, automatically and free of charge. They are useful in financing transactions and due diligence.

In the event of breach, the CRH may be terminated. This means losing the benefits and repaying the amounts already enjoyed, with interest.

In summary

The Ordinance makes the CRH an operational regime, with short deadlines and a fully digital process. It is a clear sign that the State wants contracts signed quickly.

However, a fast process does not mean lower standards. Eligibility is proven at application stage and must be maintained for up to 25 years, under cross-checks by IHRU and the Tax Authority. Three decisions weigh more on the success of the investment than the tax benefit itself:

- the choice of vehicle, because that is where experience is demonstrated;
- a prior review of the shareholding structure, because of the sworn declaration;
- the exit strategy, because assignment depends on ministerial authorisation.

MATLAW's Real Estate Investment team supports investors and developers at every stage: eligibility analysis, structuring of the vehicle, application on the IHRU platform and compliance with obligations throughout the contract.

geral@matlaw.pt | (+351) 210 434 150

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