



Barcelona, 20 December 2018

Dear client,

The Cabinet meeting held of 14 December 2018 approved a Royal Decree-Law on urgent measures on housing and property leasing published in the Official State Gazette of 18 December 2018 and entering force on 19 December, which envisages urgent measures to improve access to housing and encourage affordable rents.

**The improvements to the regulation of lease contracts are the following:**

1. The minimum lease duration is extended from 3 to 5 years (or 7 years if the lessor is a legal entity).
2. The duration of any tacit extension is increased from 1 to 3 years.
3. Guarantees in addition to the deposit are limited to a maximum of two monthly rental payments, except in the case of long-term contracts.
4. The adoption of agreements between the lessor and lessee for renovating or improving the rented property is facilitated.
5. Property management expenses and any contract arrangement expenses will be payable by the lessor when the lessor is a legal entity (company), unless they are paid by the lessee at the lessee's direct initiative.
6. The referral of holiday lease contracts involving residential property applicable to tourist industry regulations is improved and clarified.

As tax measures, the exemption from transfer tax and stamp duty is established in the conclusion of residential property lease contracts for stable and long-term use.

The obligation to charge municipal property tax to the lessee in social housing leases by the Administration or public corporations is eliminated.

Town councils will be allowed to implement a discount of up to 95% of the property tax payable for residential properties subject to restricted leases.

The bases and guarantees for the definition of the concept of permanently unoccupied residential property are established.

Yours sincerely,

AUDICONSULTORES