## SPAIN TO REVOLUTIONIZE A LAW AGAINST NEW TOURIST APARTMENTS



The government is finalizing the details of the reform of the Horizontal Property Law, which will allow communities of neighbors to veto tourist apartments and stop their expansion throughout the country. One of the main proposed changes is that new tourist accommodations will require the express approval of the community of neighbors. This permit can only be obtained with the

authorization of three-fifths of the owners.

The current regulations state that residents' associations can only prohibit a tourist flat from continuing to operate on their property when it causes inconvenience to the rest of the tenants. With a majority of three-fifths, the authorization could be revoked. The amendment promoted by the government seeks to ensure that the neighbors' authorization is obtained before installing the tourist apartments, maintaining the majority of three-fifths.

The government is emphasizing the need for the Horizontal Property Law to recognize tourist apartments as a legitimate economic activity. This means they will be subject to the same fiscal criteria, including the application of VAT. The government also wants to require the authorization of the residents, who have a majority of three-fifths, to install these flats. This will introduce a level of rationality in the rise of this type of accommodation.

The amendment to the Public Service of Justice Law, registered by the PSOE and soon to be approved, will implement this change and impact the Horizontal Property Law. It's important to note that this amendment will not have retroactive effects and will not affect tourist apartments that are already in operation if approved. Any property operating without the corresponding permit or registration must cease its activity.

One legal argument the government uses to restrict this type of accommodation in residential areas is based on Supreme Court jurisprudence. Specifically, two rulings issued by the court at the end of 2023 about neighborhoods in Oviedo and San Sebastián have been mentioned. These rulings concluded that renting homes for tourist use is an economic activity. The rulings were in favor of the homeowners' associations that were seeking to stop tourist rental activities in multiple apartments.

The Minister of Housing, Isabel Rodríguez, has also described modifying the Horizontal Property Law as a "surgical adjustment." She has called for the participation of all public administrations to ensure the right to access housing. Rodriguez has repeatedly emphasized that the uncontrolled growth of tourist rental properties is decreasing the availability of traditional rentals, causing residents and workers to move away from urban centers.

In a statement, Airbnb defended that its users' activity and the money spent by customers in destinations are boosting the economy in Spain and helping to maintain 130,000 jobs. The company claims that the direct, indirect, and induced economic impact of its trips in 2023 was 8.5 billion euros, contributing 3.6 billion euros to the public coffers.

"The activity of sharing one's home, a holiday home, a family home in the village, or a short-term rental property generates a positive net benefit for local communities in Spain," says the company,

emphasizing the impact of its business on hospitality. Additionally, many of its properties are located in areas with no traditional accommodation supply, meaning that the income goes directly to the residents of those localities.

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