

**CALDEIRA
PIRES**

Rent

Increases

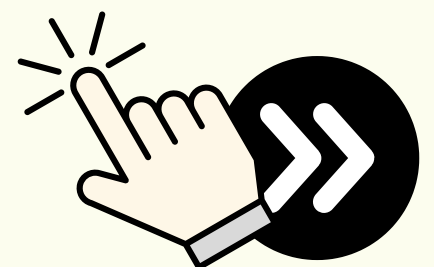
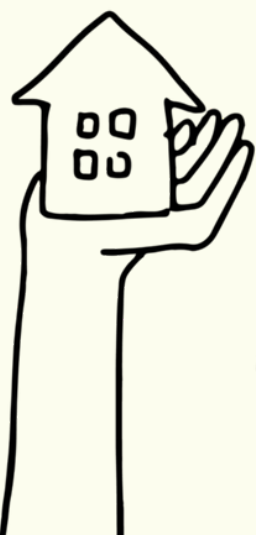
**Are they always
lawful?**



Receiving a rent increase notice is, today, an increasingly common reality.

Yet there is a question that is rarely asked — and one that makes all the difference:

Is the increase, in fact, lawful?



In Portugal, **rent cannot be updated arbitrarily.**

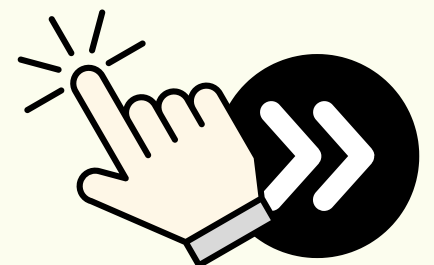
As a **general rule**, rent may be updated annually, based on a coefficient defined by the Government.

This means there are clear limits — and not all increases that are communicated comply with those criteria.



Article 1077 of the Civil Code provides that **the parties may agree, in writing, on the possibility of updating the rent and the applicable regime.**

According to paragraph 2 of that article, **where nothing is stipulated, the rent may be updated annually in accordance with the coefficients set by the Government.** The first update may only occur one year after the commencement of the contract, and subsequent updates one year after the previous one.



Nevertheless, in practice, many tenants accept increases without questioning them.

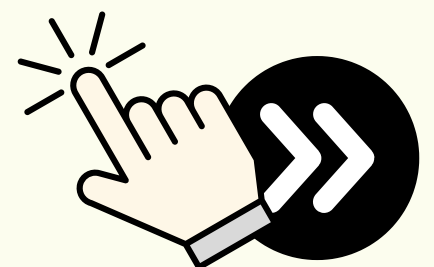
Out of lack of awareness.

Out of fear.

Or simply because they believe that “there is no alternative”.

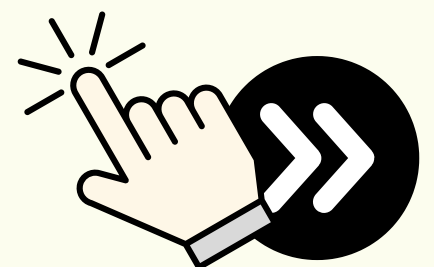
It is also important to bear in mind that the manner of communication is not a minor detail.

A rent increase must comply with specific requirements, both as to timing and form.



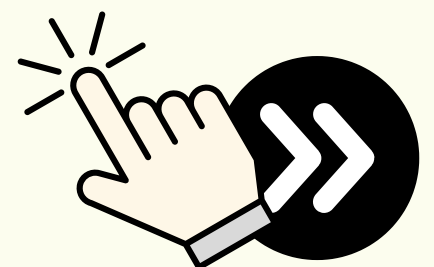
Subparagraph (c) of Article 1077 of the Civil Code requires that the rent update **be communicated to the tenant in writing, with at least 30 days' prior notice.**

Such communication must comply with Article 9(1) of the New Urban Lease Regime (NRAU), meaning it must be made in writing by registered letter with acknowledgement of receipt.



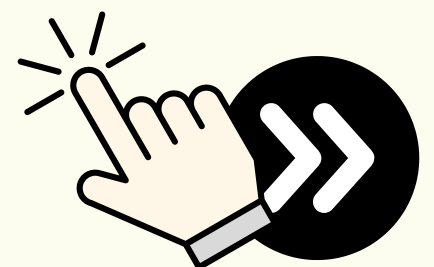
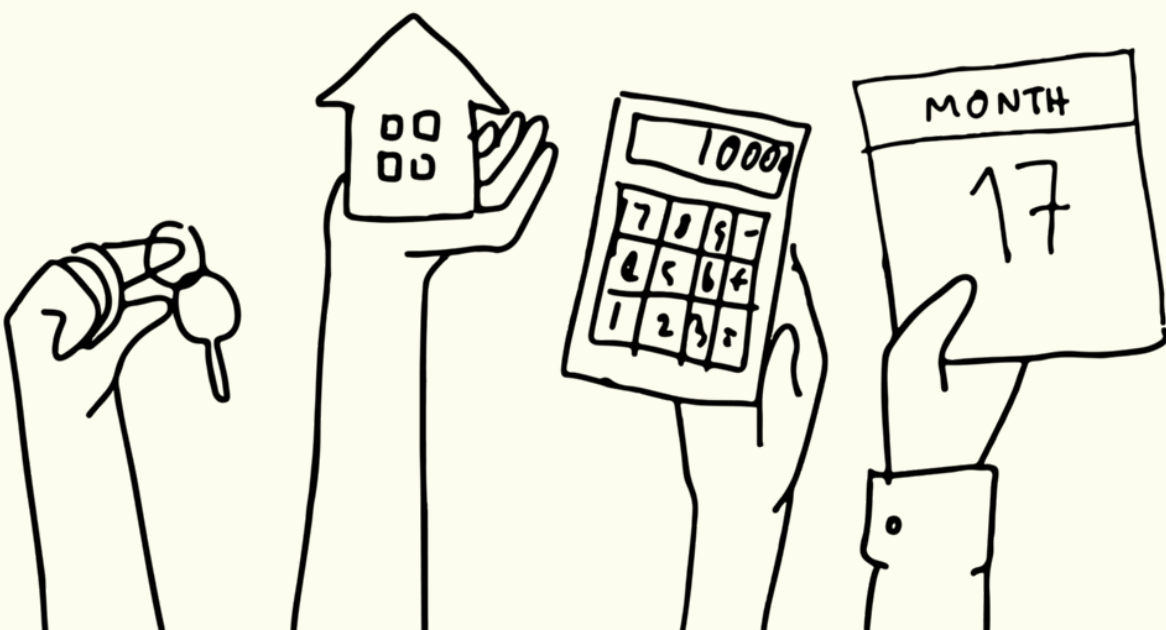
Although rent should be updated annually — otherwise unapplied increases may be forfeited — **the coefficients may still be used up to three years after the date on which they could have been applied.**

There are, however, exceptions: in the case of a new contract or renegotiation, a new rent amount may be agreed.



Naturally, this does not legitimise increases outside the legal framework in ongoing contracts.

Experience shows that this is one of the areas where imbalances most frequently arise in the landlord–tenant relationship.



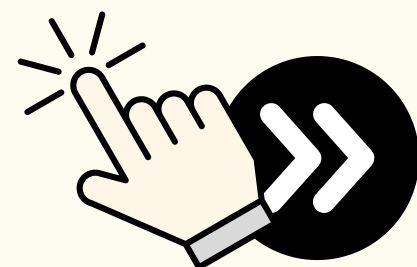
FINAL NOTE

In a context of pressure in the real estate market, understanding the legal framework applicable to rent updates is not merely a legal matter.

It is a matter of effectively protecting the interests of the parties.

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