

Royal Decree-Law 29/2026 (New Maricarmen Decree), of 6 October, adopting urgent measures to protect the social function of housing and increase the supply of affordable housing

On **6 October 2026**, the Council of Ministers approved **Royal Decree-Law 29/2026 of 6 October adopting urgent measures to protect the social function of housing and increase the supply of affordable housing**, which was published in the *Spanish Official State Gazette (Boletín Oficial del Estado, or BOE)* on **7 October 2026**.

As a general rule, the Royal Decree-Law enters into force on **8 October 2026**, subject to the specific effective dates established for certain tax and financial measures. The Royal Decree-law must be submitted for ratification by the **Standing Committee** of the Congress of Deputies.

Royal Decree-Law 29/2026 **reinstates** a substantial part of the measures included in the repealed Royal Decree-Law 26/2026, while introducing material changes concerning residential acquisitions, temporary leases, evictions, real estate taxation, public housing and financing.

I. Temporary restriction on certain residential acquisitions

From **8 October 2026** until **31 December 2030**, acquisitions of dwellings for no consideration, or for consideration **below 70%** of market value are restricted where the purchaser is: **a)** an entity, with or without legal personality, engaged in acquiring real estate or portfolios of non-performing mortgage loans at a price clearly below their appraised market value; **b)** a legal entity qualifying as a **large-scale residential property owner** under state housing legislation or **c)** an entity belonging to the same group as, or acting on behalf of, any of the foregoing.

Market value must be determined on the **date** of the binding agreement by an **independent appraisal** issued by an appraisal company authorised by and registered with the **Bank of Spain**. The **purchaser** must provide the relevant appraisal report.

For these purposes, total effective consideration **includes** all amounts, assumed liabilities, ancillary obligations and economic benefits paid or committed by the purchaser, or by related persons, as a direct or indirect consequence of the transfer.

The restriction applies both to **dwellings in use** and to dwellings in buildings constructed on land zoned for residential use, that meet the conditions for obtaining an **occupancy certificate**, once the final works certificate has been issued

The following acquisitions are excluded from the limitation where the following relevant use is maintained at least until **31 December 2030**: **a)** acquisitions intended for affordable or social housing; **b)** acquisitions intended for health and social care uses; **c)** acquisitions intended for the accommodation of vulnerable groups and

d) acquisitions intended for the residential protection of victims of gender-based violence.

Certain acquisitions by entities adhering to a **Code of Good Practices**, and certain acquisitions arising from judicial enforcement or mortgage foreclosure proceedings, are also excluded once the code has been approved and entered into force, provided adherence and effective compliance are evidenced.

The restriction does not affect transfers executed by public deed before **8 October 2026**, even if those transfers have not yet been registered with the Land Registry. However, after the Royal Decree-Law takes effect, the earlier deed may not be amended or supplemented by addendum.

II. Stay of eviction proceedings

Until **31 December 2030**, courts must stay eviction proceedings brought by certain entities engaged in acquiring real estate or portfolios of non-performing mortgage loans where the defendant is **vulnerable** and has **no alternative accommodation**.

A stay may be ordered even **after** a judgment, decree or order terminating the proceedings or ordering the eviction, provided the eviction has not yet been carried out.

For proceedings brought by claimants other than the entities referred to in Article 2.1, the court will require **the competent public authority** to report on the housing resources available, and to offer those resources to the defendant.

If the authority does not respond or states that it has no such resources, the court will stay the proceedings **until suitable alternative accommodation is provided**.

The stay will be reviewed every **12 months** and may not exceed **three years**. Proceedings will **resume** when: **a)** the defendant's vulnerability ceases; **b)** suitable and effective alternative accommodation is made available; **c)** the defendant refuses that accommodation without justification or **d)** the maximum stay period expires.

Where the claimant is an **individual**, or a legal entity engaged in **affordable** or social habitual letting, the competent public authority will **bear the costs** of any compensation ordered by the court.

Compensation may cover, at most: unpaid contractual rent, unpaid utilities and legal costs awarded to the claimant.

Compensation may **not** include hypothetical loss of profits or moral damage. The stay does not extinguish the tenant's obligation to remain current on the rent due.

Additionally, in non-payment eviction proceedings involving vulnerable tenants, except those subject to the special regime described above, the competent public authority has a final period of **two months** to: **offer** suitable alternative accommodation; or **failing that**, pay the landlord or deposit with the court all amounts claimed, all amounts accrued up to that time and the claimant's legal costs.

If payment or deposit is made within the two-month period, the default will be cured, the proceedings will be terminated and the lease will remain in force.

If the two-month period expires without suitable alternative accommodation or full payment or deposit, the public authority will automatically **assume the tenant's position** as debtor. The eviction will not proceed, and the lease will remain in force until its expiry for as long as the tenant's vulnerability continues.

This regime also applies to pending proceedings in which the eviction has not yet been carried out.

III. Temporary leases and room leases

The Royal Decree-Law brings temporary leases within the residential leasing regime, and **defines them as** leases intended to meet a tenant's housing needs while the tenant is temporarily displaced from the tenant's habitual residence for a justified and verifiable reason.

The temporary reason must be **expressly** stated in the lease, and the **landlord bears the burden** of proving that the reason exists.

If the agreement does not properly state a temporary reason, it will be **governed by the habitual residential lease regime**, with retroactive effect from the date on which the agreement was entered into.

The parties may freely agree on the term of a temporary lease, but the term must exceed **31 days**; and as a general rule, not surpass **12 months**. The lease may be expressly extended while the temporary reason continues, including beyond 12 months if that reason **remains** in place.

However, if the term exceeds 12 months without justification, or more than **two consecutive temporary leases** are novated or entered between the same parties for the same dwelling, the first lease will be treated as a habitual residential lease. It will therefore be subject to the minimum terms and extension arrangements under Articles 9 and 10 of the Law 29/1994 of 24 November on Urban Leases (LAU).

Where successive temporary leases are entered into for the same dwelling, the annual percentage increase in rent under the later agreements may not exceed the **Reference Index for the Annual Update of Residential Lease Agreements (IRAV)**.

Partial leases of rooms or other areas may qualify as habitual or temporary residential leases depending on the housing need that they satisfy. The **aggregate rent** under all partial lease agreements simultaneously in force for the same dwelling **may not exceed** the rent under a single lease of the entire dwelling.

In stressed residential market areas, the rent for the entire dwelling or, where there is no such lease, the aggregate partial rents must **comply** with the applicable statutory rent limitations.

Seasonal or temporary housing leases entered before **8 October 2026** will continue to be treated as leases for use other than housing. They will remain governed by the legal regime applicable when they were entered into until the agreed term expires.

At the end of the agreed term, those agreements will terminate without the possibility of extension. Any renewal will be governed by the new rules.

IV. Tenant protections

Housing-related taxes **may not be passed on** to the tenant unless the tenant is the taxpayer legally liable for those taxes.

In buildings not subject to the horizontal property regime, community charges may not be passed on to the tenant. Real estate agency costs and lease documentation costs may not be passed on to the tenant, either directly or indirectly.

The prohibition covers services relating to preparation of the lease; execution of the lease; management of the lease; novation of the lease and renewal of the lease.

Non-essential services may be charged to the tenant only where the tenant has expressly requested them in writing after being informed that they are optional and of their cost.

Tenants may not be required to take out **rent-default insurance** or similar coverage. For temporary leases, additional security may not exceed **one month's rent**.

Where defects affect the habitability or safety of the dwelling, the tenant may require the landlord to carry out the necessary repairs and may provide a **reasonable budget** for the works. If the landlord does not respond within **15 calendar days**, or refuses without justification, the tenant may carry out the works and **deduct** the reasonable and documented cost from future rent. For temporary leases, the landlord has **five business days** to respond.

At the end of the lease, the parties must **record** the condition of the dwelling in a written **handover document** signed by both parties.

If no document is signed, or if the document does not identify any defects, the dwelling will be presumed, unless proven otherwise, to have been returned in an appropriate state of maintenance.

V. Rent reviews and extraordinary extension of up to two years

During the lease term, rent may be reviewed only on each anniversary of the lease and in accordance with the parties' agreement. In the absence of an express agreement, **no rent review will apply**.

Where the parties have agreed a rent-review mechanism, but have not identified the applicable index or methodology, the annual change in the **IRAV** will apply. In all cases, the annual rent increase may not exceed the percentage change in the IRAV in force on the relevant review date.

In addition, for rent reviews falling due between **8 October 2026 and 31 December 2027**: no rent increase will apply if the current rent exceeds the applicable maximum under the State Rental Price Reference System; and in all other cases, the increase will be the amount agreed by the parties or, in the absence of a new agreement, no more than **2%**.

At the tenant's request, certain habitual residential leases in force on **8 October 2026** may be extended annually for up to **two additional years**.

The measure applies where: **a)** the mandatory extension period under Article 9.1 LAU ends before **31 December 2028**; **b)** the tacit extension period under Articles 10.1 and 10.2 LAU ends or **c)** a tacit-renewal period under Article 1566 of the Spanish Civil Code ends.

The tenant must be current on rent and must have made monthly rent payments during the preceding **eight months**. The terms and conditions of the existing lease will remain in force during the extension.

The landlord must accept the requested extension unless: the parties **agree other terms** and conditions; the parties **enter a new lease** or there is a genuine and evidenced need for **occupation by the landlord** or qualifying relatives under the conditions established in the Royal Decree-Law.

The extension will not apply where the parties agree to renew the lease, or enter a new lease, at a rent at least **5% below the current rent**.

This extension is incompatible with the extraordinary extension of up to **three years in stressed residential market areas**, which shall apply preferentially.

From **15 November 2026**, the two-year extension will also not apply where the mandatory tacit five-year or seven-year extension introduced by Royal Decree-Law 28/2026 applies.

VI. Preemption rights and lease advertising

In a combined sale of a dwelling with other properties or assets, the tenant's rights of first refusal and redemption will remain available where the dwelling is legally capable of separate identification.

The notice delivered to the tenant must state: the **price** allocated to the leased dwelling; and the **objective criteria** used to determine that price.

The allocated price must be determined proportionately using objective and verifiable criteria. The **cadastral reference value** should be used in preference or, if no such value is available, an independent appraisal.

The tenant **may not waive** the statutory preemption right.

In combined sales, housing legislation may grant the competent public authority **subsidiary rights of first refusal and redemption** over the entire property.

Where applicable, **advertising**, marketing and offers for residential leases must state **a)** the applicable rental-price reference index; **b)** the statutory rent cap; **c)** the identifying number, code or title of the leased unit and **d)** the landlord's status as a large-scale residential property owner.

VII. Large-scale residential property owner status

As a general rule, an individual or legal entity qualifies as a large-scale residential property owner if that person owns more than **10 urban residential properties** or more than **1,500 square metres of residential floor area**. Parking spaces and storage rooms are excluded from the calculation.

In stressed residential market areas, the definition may be tailored so that it applies to owners of **five or more residential properties**, where the relevant autonomous community provides reasons for doing so.

Residential large landlord status must be evidenced by a certificate from the **Land Registry**.

Where a single registered property comprises a building with several units capable of residential use, **each unit will count as a separate property**, even if no horizontal property division has been registered.

VIII. Tax measures

For landlords that are not large-scale residential property owners, reductions in positive net residential rental income will depend on factors including: **a)** changes in rent compared with the previous lease; **b)** continuity of the tenant; **c)** whether the dwelling is located in a stressed residential market area; **d)** the tenant's age; **e)** whether the dwelling is being let for the first time; **f)** the social use of the dwelling and **g)** whether the dwelling has recently been refurbished.

Said reductions may reach **100%**.

During the tacit extension under Article 10.1 LAU, an **80% reduction** applies where the landlord is not a large-scale residential property owner; and whether at the time of the extension, the rent does not exceed the maximum under the State Rental Price Reference System.

A deduction equal to **10% of the amounts paid for the lease of the taxpayer's habitual residence** is also introduced for taxpayers with taxable income below **€33,007.20**.

For at least half of the relevant tax period, neither the taxpayer nor any member of the taxpayer's family unit may own outright or hold a **right in rem** to use or enjoy, another dwelling located within **50 kilometres** of the leased dwelling.

This limitation does not apply where an administrative or judicial decision prevents the other dwelling from being used as a residence.

IX. Value-added tax (VAT), real estate tax and SOCIMI taxation

With effect from **1 December 2026**, certain lettings of furnished apartments or dwellings for no more than **30 nights** will be subject to the reduced **10% VAT rate**, unless the letting takes place in the landlord's habitual residence.

Lettings that include ancillary services typical of the hotel industry will also be taxable at this rate.

From the same date, the reduced **10% VAT rate** will apply to certain renovation, and repair works on dwellings intended for habitual letting, irrespective of the landlord's status, said works finished **two** years before the entry into force of this Royal Decree-law.

The super-reduced **4% VAT rate** is extended to developers of protected housing subject to permanent or indefinite protected status. The reduced rate also applies to parking spaces and storage rooms transferred with the dwelling, subject to a maximum of **two parking spaces**.

In municipalities located in stressed residential market areas, local authorities may impose a real estate property tax or **IBI**, surcharge of up to **50%** on residential properties used for tourist accommodation; up to **100%** where the owner holds **two or more** residential properties used for that purpose and up to **150%** where the owner holds **four or more** residential properties used for that purpose.

Spanish listed real estate investment companies, or **SOCIMI**, will be subject to a special **25% levy** on undistributed profits derived from residential leasing or grants of residential rights of use, including tourist and short-term accommodation.

However, the levy will be reduced by **50%**, where **more than 80%** of the entity's Spanish rental housing portfolio is devoted to affordable housing or **100%**, where the previous requirement is met and the undistributed profits are reinvested within **three years** into housing devoted to affordable letting.

For tax periods beginning in 2026 which have not ended by **8 October 2026**, the applicable affordable-housing threshold will be **60%**. For tax periods beginning in 2027, the threshold will be **70%**.

X. Assignment of mortgage loans

If rights under a mortgage loan are assigned to a third-party, the borrower may raise against the assignee the same objections and defences available against the original creditor, including **set-off**.

Rights under applicable **Codes of Good Practice** will continue to apply. The parties to the assignment must agree the least burdensome method of preserving those rights for the borrower.

The borrower **must be notified** of the assignment unless the original lender continues to service the loan by agreement with the assignee.

Where a **past-due loan secured over the debtor's habitual residence** is assigned, the debtor must be informed of the possibility of relying on the protective measures established in Royal Decree-Law 6/2012.

If the debtor demonstrates eligibility within **six months** after receiving notice of the assignment, the assignor must repurchase the loan at the assignment price and offer the measures requested by the debtor, on the terms established in the Royal Decree-Law.

All notices must be sent to the borrowers and guarantors under the relevant loan.

This regime applies to assignments made from **8 October 2026**, regardless of when the underlying loan agreement was entered into.

XI. Other measures to increase the supply of affordable housing

Royal Decree-Law 29/2026 aims to strengthen the public housing stock through the transfer of thousands of state and social security properties to **CASA 47**; a **permanent limitation** on the transfer **price** of dwellings owned by or developed through CASA 47; and the creation of a **Social Impact Housing Fund** with an initial allocation of **€400 million**.

It also **defines affordable housing as** housing whose sale price or rent, including associated costs, does not exceed **30% of the median income of the usual household unit in the municipality** in which the property is located.

It also establishes guarantee facilities of up to **€2 billion** to increase or improve the social or affordable rental housing stock; and guarantee facilities of up to **€280 million** to promote industrialised construction.

The Royal Decree-Law also creates the **TU CASA** financing mechanism, which will be managed by the **Official Credit Institute**, or **ICO**, and has an initial allocation of **€10 billion**.

TU CASA is intended to supplement private financing for the acquisition of a first habitual residence, regardless of the purchaser's age. The loans will cover the lower of **20% of the value of the dwelling** and **€50,000**.

The loans will bear interest at **0%** and will **not be subject to fees**. Dwellings financed through the TU CASA mechanism must be used as habitual residences and will remain permanently subject to a maximum transfer price.

The price limitation must be stated in the public deed of acquisition and registered with the **Land Registry**.

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