

New urgent measures in the Spanish housing market: Key takeaways from Royal Decree-Laws 26/2026 and 27/2026

At its meeting on Tuesday 29 September, the Council of Ministers approved two Royal Decree-Laws that will have a profound impact on the legal framework governing housing. The first of these, [Royal Decree-Law 26/2026 of 29 September, which adopts urgent measures to protect the social function of housing and increase the supply of affordable housing](#) (“[RDL 26/2026](#)”), was published yesterday in the Official State Gazette (BOE). Today, [Royal Decree-Law 27/2026 of 29 September, which adopts urgent measures to strengthen the stability of lease agreements for habitual dwellings](#) (“[RDL 27/2026](#)” and, together with RDL 26/2026, the “[RDLs](#)”), was published.

It is important to note that, as Royal Decree-Laws, they must be ratified by the Congress of Deputies within a maximum of 30 calendar days of their promulgation. In this regard, the Government has announced its intention to vote on their ratification on Friday 2 October in an extraordinary plenary session. If they are not ratified, the RDLs will cease to have legal effect.

[RDL 26/2026](#)

Among the measures adopted by RDL 26/2026, the following are particularly noteworthy:

I. Protection against “speculative activity”

Article 1 provides that “any entity, with or without legal personality, whose corporate purpose includes the acquisition of property”, shall be restricted from acquiring a residential property, whether free of charge or for consideration, for a price below 70% of its market valuation (without specifying exactly what is meant by “market valuation”). This restriction will apply until 31 December 2028.

This article also contains a number of exceptions to this restriction (social housing, affordable rent, social and healthcare residential facilities, among others), and shall not apply to transfers which, by the date of entry into force (generally scheduled for 1 October), have been formalised in a public deed, even if they have not yet been registered in the relevant Land Registry.

II. Suspension and extraordinary relief from evictions

Evictions are suspended until 31 December 2030 where the person affected is in a vulnerable situation and lacks alternative accommodation, provided the property is owned by an “entity, with or without legal personality, dedicated to acquiring properties or portfolios of non-performing mortgage loans at a price significantly below their market valuation, with the aim of circumventing the social function of housing or maximising its profitability through disproportionate rental charges, resale prices or non-residential use”.

The criteria for determining vulnerability remain unchanged, with such status being certified by social services or assessed by a judge, in accordance with the criteria already applicable under Article 441.7 of the Law on Civil Procedure.

Furthermore, an extraordinary mechanism is introduced allowing individuals who can demonstrate that they are in a situation of economic vulnerability to prevent eviction proceedings from going ahead.

III. New right of compulsory repurchase by the assignor in the assignment of mortgage loans to debtors without sufficient resources

The assignment of overdue mortgage loans where the debtor is covered by the protective measures for mortgage debtors without sufficient resources set out in Royal Decree-Law 6/2012 of 9 March is prohibited.

Furthermore, when an overdue loan secured by a mortgage on the debtor's habitual dwelling is assigned, the assignor and/or assignee must inform the debtor (in the relevant notifications to debtors or "hello letters") of the possibility of benefiting from these measures if they meet the requirements, with the new regulation granting the debtor a period of six months to prove that they meet the requirements of Royal Decree-Law 6/2012 of 9 March. If the debtor meets these requirements, the seller of the portfolio must repurchase the assigned loan for the same price at which it was transferred, and offer the debtor the requested protective measures, unless it has been agreed with the assignor that the latter will offer them directly.

In addition, the borrower may raise the same defences and objections that they would have raised against the original creditor against the new holder (the purchaser), including set-off, and the rights arising from any code of good practice to which the assigning institution was a signatory remain in force following the assignment. This provision applies to assignments of mortgage loans carried out after the entry into force of Royal Decree-Law 26/2026, irrespective of the date on which the original contract was concluded. Accordingly, it affects both new transactions and pending transactions completed from this date onwards.

IV. Temporary leases and leases of individual rooms

In addition to treating a partial lease of a room or part of a dwelling as the lease of a habitual dwelling, the legislation contains a definition of what constitutes a temporary residential lease: "A temporary residential lease shall be understood to mean any lease of a habitable building, including the partial lease of a room or part of a dwelling, which serves to meet the tenant's housing needs while they are temporarily displaced from their habitual dwelling, for a justified and verifiable reason".

With regard to temporary residential leases, a new article has been introduced that establishes the duration of these temporary leases. While this may be freely agreed between the parties, it must be for a period of more than 31 days and, as a general rule, must not exceed 12 months. If the contract exceeds twelve months without justification of the temporary nature of the lease, or if more than two consecutive temporary leases are entered into between the same parties in respect of the same dwelling, the first of these shall be converted into a lease agreement of a habitual dwelling, subject to the minimum terms and the rules on extensions set out in the Law on Urban Leases (*Ley de Arrendamientos Urbanos*) (the "LAU").

It is further provided that any temporary lease or room rental agreement that does not expressly state the grounds giving rise to the tenant's genuine and substantiated need for temporary accommodation shall automatically be converted into a lease of a habitual dwelling, with retroactive effect to the date on which the agreement was entered into. The burden of proving the existence of such grounds shall lie with the landlord. A further limitation is introduced whereby the aggregate rent payable for the individual rooms of a dwelling may not exceed the rent payable under a single lease agreement for the entire dwelling for the purposes of the applicable rent caps.

In addition to the above, lease agreements whose purpose is the accommodation or lodging of persons are expressly excluded from the regime applicable to leases for purposes other than residential use, thereby defining the scope of application of the LAU in relation to tourist accommodation.

Regarding the transitional regime, a transitional provision is added under which temporary leases or temporary residential leases entered into before the entry into force of RDL 26/2026 will continue to be governed by the regime applicable to non-residential leases until their expiry, with no possibility of extension. Any subsequent renewal will then be subject to the new regime governing temporary residential leases.

V. Right of pre-emption

RDL 26/2026 completely reformulates Article 25 of the LAU. The main changes compared with the previous version are as follows: (i) the rule under the previous wording of Article 25.7 of the LAU (which expressly excluded pre-emption and redemption rights in joint sales involving other dwellings) is reversed; these rights are now recognised provided that the dwelling can be legally identified as a separate property, with the purchase price being determined on the basis of objective and verifiable criteria (cadastral reference value or, failing that, an independent valuation), with any allocation of the purchase price intended to obstruct the exercise of such right being declared ineffective vis-à-vis the tenant; (ii) in the event of a joint sale, as a subsidiary measure to the tenant's exercise of their rights, housing legislation may establish pre-emption and redemption rights over the entire property in favour of the body designated by the competent housing authority; and (iii) the tenant may no longer waive this right by agreement (a possibility that was expressly permitted under the previous wording of Article 25.8 of the LAU).

It should be noted that Royal Decree-Law 26/2026 does not amend Article 31 of the LAU, which refers to Article 25 of the same Law for leases for purposes other than residential use. Consequently, its application to such transfers will require further analysis and monitoring of developments in the text.

VI. Residential leases in general

In addition to the amendments that affect temporary leases and leases of individual rooms, many other amendments have been introduced to the LAU and the Law on the Right to Housing.

Among the amendments to the LAU, the following are particularly noteworthy:

- » Mandatory extension and withdrawal: the mandatory extension of the contract for a habitual dwelling (Articles 9 and 10 of the LAU) remains unchanged from the previous version. As a new development, Royal Decree-Law 26/2026 regulates termination differently depending on the type of lease and removes the possibility (which was provided for in Article 11 of the previous wording of the LAU) of agreeing on compensation equivalent to one month's rent for each remaining year of the tenancy (with a pro rata calculation for periods of less than a year). For a habitual dwelling, the minimum notice period of thirty days (after at least six months have elapsed) is maintained, but there is no entitlement to compensation for the landlord, even if this had been agreed. For temporary dwellings, the tenant may terminate the tenancy after at least one month has elapsed since the tenancy was formalised, with a minimum notice period of ten days and, similarly, without the landlord being entitled to compensation.
- » Rent caps in stressed residential market areas: it amends paragraphs 6 and 7 of Article 17 of the LAU, which already provided, respectively, for a cap on rent at the level of the rent most recently in force during the preceding five years (with the possibility of an increase of up to 10% in specified circumstances) and a cap based on the reference rent index for large landlords. As a new development, two new paragraphs have been added: paragraph 8, which introduces a limit linked to the Housing Rental Reference Index (*Índice de Referencia de Arrendamientos de Vivienda*) (IRAV) on the annual percentage increase in rent under successive temporary leases for the same dwelling, and paragraph 9, which establishes a proportional limit on rent for individual rooms, such that the aggregate of the individual rents may not exceed the rent payable under a single lease agreement for the entire property, with the rent caps applicable in stressed residential market areas also applying to this type of lease.
- » Pass-through expenses and a prohibition on property management fees. This introduces: (i) an express prohibition on passing on any taxes relating to the dwelling to the tenant, unless the tenant is the person liable for such tax (thereby removing the possibility of agreeing to pass on such costs, as previously provided for in Article 20 of the LAU); (ii) a prohibition on passing on community charges in buildings not governed by the horizontal property regime (a distinction that did not exist in the previous wording); and (iii) a prohibition on charging "real estate management and contract

formalisation costs”, the definition of which has been broadened to expressly include any service provided for the preparation, formalisation, management, novation or renewal of the contract, as well as a prohibition on passing on the cost of any other non-essential service unless the tenant expressly requests it in writing, having first been informed of its optional nature and its cost.

- » Deposits and additional guarantees. This introduces: (i) an express prohibition on requiring the tenant to take out rent default insurance or other similar cover (a prohibition that did not exist under the previous wording); and (ii) a specific limit of one month’s rent on the additional guarantee for temporary residential leases, a type of lease that was previously not subject to any specific regulation in this regard.
- » Similarly, tenants’ safeguards are strengthened where the dwelling has defects that affect its habitability, as well as regarding the condition in which a dwelling is handed over at the end of the lease. In addition, it is provided that lease agreements in stressed residential market areas entered into before 2023 will benefit from the same extension protections as leases entered into after the relevant legislation came into force.
- » Title V of the LAU is replaced in its entirety by a system of penalties applicable to breaches by short-term rental platforms of their data reporting obligations under Regulation (EU) 2024/1028. The new regime provides for very serious, serious and minor infringements, fines of up to €1,000,000 (which may be increased to 2% of the offender’s total annual turnover in the case of very serious infringements), limitation periods ranging from one to five years, and expedited and ordinary penalty proceedings before the Secretary of State for Housing and Urban Agenda.
- » Extraordinary limitation on annual rent increases. For lease agreements governed by the LAU where the rent is due to be updated because the relevant anniversary of the commencement of the lease falls between the entry into force of RDL 26/2026 and 31 December 2027, the parties may agree on the annual rent increase subject to the following conditions: (i) where the rent exceeds the maximum applicable rent under the reference price index system, no rent increase may be applied; and (ii) in all other cases, the parties may agree on the increase, but if they fail to reach an agreement, the increase may not exceed 2%.

VII. Extraordinary extension of lease agreements

The Fifth Final Provision provides that lease agreements whose mandatory extension expires before 31 December 2028 may benefit from an extraordinary extension of up to two additional years at the tenant’s request, provided that the tenant is up to date with rent payments.

VIII. SOCIMIs

The tax regime applicable to Spanish real estate investment trusts, known as SOCIMIs (*Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario*) is amended, increasing from 15% to 25% the special tax applicable to profits not subject to a distribution requirement where they arise from the leasing of residential property, as well as from any other lease or assignment of the right to use residential real estate, irrespective of the type or duration of the arrangement, including property used for accommodation or lodging, tourism or short-term purposes, to the extent that the relevant income has not been taxed at the standard Corporate Income Tax rate and is not subject to the applicable reinvestment period. The tax is reduced by 50% where more than 80% of the rental housing stock is affordable, or by 100% where, in addition, the undistributed profit is reinvested within three years in housing intended for the affordable rental market.

IX. Tourist leases

The VAT exemption applicable to leases of furnished apartments/dwellings is amended, so that such leases will be subject to VAT (and will no longer be exempt) not only where ancillary hotel-type services are provided, but also where the accommodation provided to the same tenant does not exceed 30 nights and the property is not the landlord's habitual dwelling. The rate applicable to this type of lease will be 10%.

X. Surcharge on vacant and tourist dwellings

Local councils and local authorities are authorised to impose a surcharge via the Property Tax (*Impuesto sobre Bienes Inmuebles*) (IBI) on the non-residential use of a property or on vacant properties.

XI. Tax on the Increase in Value of Urban Land (*Plusvalía Municipal*)

The maximum coefficients applicable according to the period over which the increase in value has accrued are updated, with higher coefficients applying to short and medium-term holding periods, which may affect the tax payable on the sale of each property.

XII. Protected housing with permanent or indefinite classification

The application of the 4% super-reduced VAT rate is extended to supplies by developers of protected housing with a permanent or indefinite classification, expressly including such housing alongside housing administratively classified as special-regime officially protected housing or publicly promoted housing. The measure also covers garages and outbuildings transferred jointly, subject to a limit of two garage spaces.

XIII. Public housing stock

The contribution of properties that form part of the State's assets to Casa 47 (the State housing entity) is regulated. In addition, the Social Impact Housing Fund is created, with the purpose of financing innovative housing projects that generate a positive social impact and attracting private investment. Furthermore, the law on movable mortgages is amended to include among the assets that may be mortgaged "the set of industrialised components intended for the industrialised construction of buildings, manufactured in a controlled environment for subsequent transportation, delivery, assembly and installation on site." In addition, the TU CASA mechanism, managed by the Official Credit Institute (*Instituto de Crédito Oficial*) (ICO), is created to supplement private financing for individuals purchasing their first mortgaged habitual dwelling.

Lastly, RDL 26/2026 entered into force, as a general rule, on 1 October. In any event, as noted above, it must be ratified by the Congress of Deputies within a maximum period of 30 calendar days. Otherwise, it shall cease to have legal effect.

RDL 27/2026

RDL 27/2026, for its part, amends Article 10 of the LAU. It should be noted that paragraph 1 of this Article had already been amended by RDL 26/2026 (see the section entitled "Residential leases in general" above). RDL 27/2026 now gives Article 10 of the LAU a new wording in its entirety.

Under the new wording, upon expiry of the lease or any of its extensions, once a minimum term of five years has elapsed, or seven years where the landlord is a legal entity, the lease will be extended for successive periods of the same duration unless either party notifies the other of its intention not to extend it. The landlord's notice period is increased from four to six months, while the tenant's remains at two months. In other words,

continuation of the lease becomes the default position, while its termination requires an express decision by the landlord.

In addition, as a new measure, with no equivalent under the LAU, a landlord who validly gives notice of its intention not to extend the lease must compensate the tenant in an amount equivalent to twelve months' rent for a dwelling with comparable characteristics, calculated in accordance with the applicable provisions. In no event may such compensation be less than one month's rent for each year the tenant has resided in the dwelling. The compensation must be paid when the dwelling is handed back, and certain exceptions are provided for, including where an individual landlord requires the dwelling as a residence for themselves or their family members, or where the tenant has not occupied the dwelling for more than six months during the preceding twelve months without justified cause, among others. Accordingly, the calculation is based on the reference rent for a comparable dwelling in the same market, rather than on the rent under the lease that is being terminated, so that the compensation reflects the actual cost of securing an alternative dwelling.

The extraordinary extensions already provided for under the LAU in cases of vulnerability and in stressed residential market areas remain in place.

The legislation is supplemented by several additional provisions and a transitional provision. Regarding the transitional regime, the new Article 10 of the LAU applies to leases in force on the date the legislation enters into force, in respect of any expiry dates (of the lease or any of its extensions) occurring on or after the following day. However, it establishes specific rules depending on whether the lease is subject to an annual tacit extension, whether less than six months remain when the legislation enters into force, or whether the lease is subject to tacit renewal (*tacita reconducción*).

It will enter into force tomorrow, on 2 October. As with RDL 26/2026, however, it must be ratified by the Congress of Deputies within a maximum period of 30 calendar days. If it is not ratified, it will cease to have legal effect.

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