

## The Supreme Court upholds the veto of 'tourist flats' in the communities of neighbours that prohibit the use of economic activity

The Civil Chamber of the Spanish Supreme Court (Tribunal Supremo) has issued in December 2023 two rulings in which it considers that the rental of dwellings for tourist use is an economic activity.

The Tribunal Supremo (TS) has issued two rulings in which it upholds the veto of 'tourist flats' in the communities of owners that expressly prohibit in their statutes the use of the dwellings to carry out an economic activity. The court considers in this respect that the rental of dwellings for tourist use is an economic activity.

In light of the above precedents, those buying Spanish properties with a tourist license so that can be rented out outside the protection of the Spanish tenant's act ([Ley de Arrendamientos Urbanos 29/1994 of 24<sup>th</sup> of November](#)) on a short term basis using platforms such as AirBnb, Booking, HomeAway, Wimdu, etc), should review the building's community of owners' statutes and find out whether economic activities are prohibited as otherwise may find their investment frustrated.

At Scornik Gerstein LLP we regularly advise individuals and entities purchasing properties in Spain, including incorporating tax efficient structures to maximise their investments' returns with the reassurance of a Spanish law specialist firm with almost 40 years of experience and a minimum professional cover of £3 Million.

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